

The
**CREDIT
WORLD**

The only monthly publication serving the entire field of consumer credit

Volume 48 • Number 12

SEPTEMBER 1960

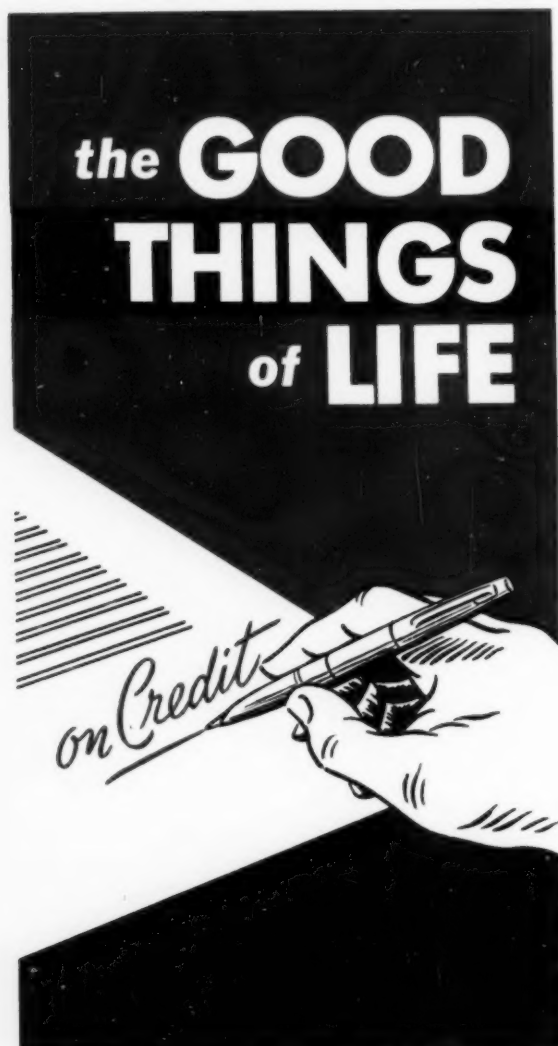
IN THIS ISSUE

Letter Writing
Advantages of Extended Terms
How They Size You Up for Credit
Improving Hospital Public Relations
Chicago Conference Notes
Credit Department Communications
From the Nation's Capital
The Credit Clinic
Consumer Credit Outlook

Over 50,000 credit executives read *The CREDIT WORLD* every month

JUST OFF THE PRESS — REVISED FROM COVER TO COVER

A Clear Guide to Good Credit . . . Written for Adults and Students



Consumer Credit Education Pays!

THE NEW BOOKLET, in two colors, "The Good Things of Life on Credit," has been re-designed to educate the consumer to use credit and pay as agreed, in other words, to "Buy Wisely—Pay Promptly."

IT CONTAINS:

- . . . The Magic of Credit Buying Power
- . . . What People Buy on Credit
- . . . The Value of Personal Credit
- . . . Credit Depends on Two Things
- . . . Your Credit Record is an Open Book
- . . . How to Establish Your Credit
- . . . How to Maintain a Good Credit Record

and . . .

the Code of Ethics of the National Retail Credit Association. On the outside back cover is the National shield containing the slogan "Guard Your Credit as a Sacred Trust."

THIS BOOKLET points out the conveniences and advantages of credit, as well as the necessity for maintaining a good credit record. It is an excellent educational piece to enclose in letters opening new accounts, in sales promotional letters, and in collection letters. The consistent use of this booklet will produce highly satisfactory results whether in the promotion of business or in the collection of past-due accounts.

PRICES

500		\$11.00
1,000		\$20.00
5,000	(per thousand)	\$19.00
10,000	(per thousand)	\$18.00

Postage Extra

ORDER NOW

NRCA

National Retail Credit Association

375 JACKSON AVE. • ST. LOUIS 30, MO.

The CREDIT WORLD

REGISTERED IN THE UNITED STATES PATENT OFFICE

OFFICIAL PUBLICATION OF THE NATIONAL RETAIL CREDIT ASSOCIATION

Editor **ARTHUR H. HERT**

Associate Editor **LEONARD BERRY**

Executive Vice President **WILLIAM H. BLAKE**

Editorial Offices: 375 Jackson Ave., St. Louis 30, Missouri, Parkview 7-4045.
Advertising Representative: Ralph Duysters, 38 E. 57th St., New York 19, N. Y.
Washington Counsel: John F. Clagett, 301 E. Capitol St., Washington 3, D. C.

Volume 48 September, 1960 Number 12

In this Issue . . .

Four Feature Articles

- Letter Writing—Its Influence on Customer Relations . . . 4
Jack S. Christie
- The Advantages of Extended Terms for Charge Accounts . . . 6
Dean Ashby
- How They Size You Up For Credit . . . 8
Changing Times
- Improving Hospital Public Relations . . . 10
Sister E. Madeleine

Four Other Highlights

- What's New in Books . . . 5
- Chicago Conference Notes . . . 12
- Communications Feedback . . . 22
- Project "Push" Membership Award Winners . . . 31

Nine Regular Departments

- From the President's Pen . . . 3
- People and Events . . . 16
- Credit Department Communications . . . 18
- From the Nation's Capital . . . 20
- State Legislation . . . 21
- Local Association Activities . . . 23
- The Credit Clinic . . . 24
- Consumer Credit Outlook . . . 28
- Quotable "Quotes" . . . 32

CIRCULATION OF THIS ISSUE 53,000

Second-class postage paid at St. Louis, Missouri. Published monthly at 105 South 9th Street, St. Louis, Missouri. Subscription \$3.00 a year, to members of the National Retail Credit Association only. Articles published in The CREDIT WORLD reflect the opinions of the authors and not necessarily the viewpoint of the National Retail Credit Association. Reproduction privileges of original material are hereby granted, provided usual credit is given. Please advise us immediately of any change in your address to avoid interruption in receiving The CREDIT WORLD.

Printed in U.S.A., by The Von Hoffmann Press, Inc.

NATIONAL RETAIL CREDIT ASSOCIATION OFFICERS 1960-1961

President—

EARLE A. NIRMAIER, W. Wilderott & Company, Newark, New Jersey

First Vice President—

LEONARD A. BRUMBAUGH, Valley National Bank, Phoenix, Arizona

Second Vice President—

FRED R. HACHTEL, Gimbel Brothers, Milwaukee, Wisconsin

Third Vice President—

DEWEY D. GODFREY, Bank of Charlotte, Charlotte, North Carolina

Executive Vice President—

WILLIAM H. BLAKE, 375 Jackson Avenue, St. Louis, Missouri

Secretary-Treasurer—

ARTHUR H. HERT, 375 Jackson Avenue, St. Louis, Missouri

Assistant Secretary-Treasurer—

LEONARD BERRY, 375 Jackson Avenue, St. Louis, Missouri

BOARD OF DIRECTORS

District—

1. Edward F. Kennedy, Grover Cronin Company, Waltham, Mass.
2. Henri R. Wolkoff, The Town Shop, Poughkeepsie, New York
3. Eugene E. Jones, Citizens & Southern National Bank, Atlanta, Georgia
4. John J. Bevington, Third National Bank, Nashville, Tennessee
5. Ralph E. Dyreson, First National Bank and Trust Company, Rockford, Illinois
6. Joseph A. White, The Fair, Chicago, Illinois
7. Harold A. Genser, Genser & Sons, Ltd., Winnipeg, Manitoba, Canada
8. Babe Cialone, Merchants National Bank, Fort Smith, Arkansas
9. Dean Ashby, The Fair, Fort Worth, Texas
10. R. A. Jackson, Volk Brothers Company, Dallas, Texas
11. Mrs. Myrtle Beltridg, Dr. Robert D. Conkling, Denver, Colorado
12. Charles R. Buchanan, National Bank of Washington, Tacoma, Wash.
13. E. G. Harlan, Riley's Store, Boise, Idaho
14. Jack D. Hartup, Standard Oil of California, Spokane, Washington
15. Vernon E. Rasmussen, Evergreen Cemetery Company of Seattle, Seattle, Washington
16. Fred B. Bremer, Union Oil Company, Los Angeles, California
17. Jack P. Lee, Frankenberg's, Charleston, West Virginia

At Large—

- Dan D. Boydston, Valley Gold Dairies, Albuquerque, New Mexico
- Frank T. Caldwell, The Credit Bureau of San Francisco, San Francisco, California
- Howard A. Clarke, Gimbel's, Pittsburgh, Pennsylvania
- A. J. DeMarco, Family Finance Corporation, Miami, Florida
- Thomas Downie, Credit Bureau of Vancouver, Vancouver, British Columbia, Canada
- Edward M. Gallagher, Lit Brothers, Trenton, New Jersey
- Mrs. Jo Hubbard, Sterchi Bros. Stores, Chattanooga, Tennessee
- Charles F. Sheldon, Philadelphia Credit Bureau, Philadelphia, Pa.
- Lewis B. Skinner, Wm. H. Roberts & Sons, Indianapolis, Indiana
- William F. Streeter, William F. Streeter and Associates, Minneapolis, Minnesota
- Robert M. Wylie, Weinstock-Lubin & Company, Sacramento, Cal.

Other—

- William H. Martin, Crescent Furniture Stores, Regina, Saskatchewan, Canada
- Mrs. Inez McGaughy, Pickett's, Inc., Chattanooga, Tennessee
- Mrs. Helen Spendlove, Merrill Lynch, Pierce, Fenner and Smith, Salt Lake City, Utah

Past Presidents Active in Credit Work—

- Henry C. Alexander, Belk Brothers Company, Charlotte, N. C.
- Dean Ashby, The Fair, Fort Worth, Texas
- David K. Blair, Bullock's, Los Angeles, California
- Kaa F. Blue, Foundation Plan, Inc., New Orleans, Louisiana
- Harry L. Bunker, H. C. Capwell Company, Oakland, California
- L. S. Crowder, 500 Acacia Road, Vero Beach, Florida (Ex officio)
- J. C. Gilliland, Fingerhut Manufacturing Company, Minneapolis, Minn.
- Wimberley C. Goodman, Reynolds-Penland Company, Dallas, Texas.
- Earl E. Paddon, Lammert Furniture Company, St. Louis, Missouri
- Hugh L. Reagan, Cain-Sloan Company, Nashville, Tennessee
- Joseph H. Riggs, Florida National Bank, Jacksonville, Florida
- Royce Sehnert, The Wichita Eagle, Wichita, Kansas
- William J. Tate, Charles Ogilvy Limited, Ottawa, Ontario, Canada
- Eldon L. Taylor, Glen Bros. Music Company, Ogden, Utah
- Joseph A. White, The Fair, Chicago, Illinois

Six New Mats to Promote Sales and Improve Collections

*"Just about everything we own
WE BOUGHT ON CREDIT!
Is there
another way?"*




*keep the door OPEN to your
WONDERFUL
WORLD OF
CREDIT
BUYING*

Yes, it is wonderful to buy what you want when you want it... Just by signing your name and saying "Charge it."




IT'S ALWAYS HEALTHY TO
"Owe a little"
(IF ONLY FOR A LITTLE WHILE!)

There's nothing wrong with being a little in debt. Most people are... most of the time.



Why Mr. and Mrs. America

**PREFER TO
BUY ON
CREDIT!**




**YES! YOU
CAN OFTEN
SAVE MONEY**
by Buying on Credit!

A good credit record gives you the power to buy now... to take "on the spot" advantage of drastic price reductions frequently offered on all types of merchandise.

Credit is, indeed, a powerful "open Sesame" to savings. It's an advantage that can and should be used to its utmost.

But, unfortunately, thousands of people every year, throw away their advantage by late payment of bills. And their good record for payment, once lost, is hard to regain.

That's why we urge and encourage every one to...




PRESERVE YOUR CREDIT RECORD...
Pay Your Bills Promptly

"Why Wait and Pay Cash..."

**WHEN WE
CAN BUY NOW
ON CREDIT!"**

People no longer deny themselves the things they want... while they're saving cash to buy. Now everybody can enjoy the luxuries and necessities they crave while they're paying for them. It's a wonderful and enlightened age of open credit... available, like the fresh air around us... to anyone and everyone who takes the trouble to maintain a good credit record.

Wouldn't it be downright tragic to kill this "Goose that laid the golden egg?"




WHATEVER YOU DO...
PROTECT YOUR CREDIT RECORD
...PAY YOUR BILLS ON TIME!

HERE ARE SIX new newspaper advertising mats designed to carry a powerful credit sales promotion message. By advertising that it is smart to buy on credit many consumers are encouraged to use their credit potential to a greater degree. We have taken a positive approach in this series because it is necessary that we increase credit sales to keep up with

mounting production of goods. The essential pay promptly theme underlies the dominant sales promotion theme.

Size 5 3/4" by 8 3/4". Price \$3.00 per mat or only \$15.00 for the series. Order now and plan an aggressive credit sales promotion program in your community.

NATIONAL RETAIL CREDIT ASSOCIATION
375 JACKSON AVENUE
ST. LOUIS 30, MISSOURI



FROM THE *President's Pen*

To All Members

AT THE Annual Meeting of the Board of Directors of the National Retail Credit Association, Saturday, June 4, 1960, in Chicago, Illinois, a delegation representing the Board of Directors of the Associated Credit Bureaus of America presented to the NRCA Board of Directors a resolution, as follows:

"Beginning in 1961, ACBoFA will meet in separate convention, at the national level only; further that, beginning immediately, ACBoFA will give added support, cooperation and stimulation to meeting with the CWBCofNA and NRCA at the local, state, regional and district levels."

At a subsequent meeting, ACBoFA's Board of Directors voted to add a second paragraph to their original resolution, as follows:

"In 1961 and 1962, ACBoFA will hold a separate national convention in the same cities as NRCA and CWBCofNA; further, that the ACBoFA convention be scheduled immediately prior to or immediately following the convention of NRCA and CWBCofNA, so that ACBoFA members will have an opportunity of attending both conferences."

The Board of Directors of the National Retail Credit Association receives this resolution with deep regret, but respectfully defers to the wishes of the Associated Credit Bureaus of America.

While we are sorry to learn of this decision, we recognize the fact that this affords an opportunity for the development of a more comprehensive consumer credit grantor program. Details of this are outlined in a report of the Program Committee published on page 17 of this issue.

Earle A. Hirmann

PRESIDENT
National Retail Credit Association

Letter Writing . . . Its Influence on Customer Relations

JACK S. CHRISTIE

Credit Manager, Dunlap's
Lubbock, Texas

YOU HAVE HEARD the expression "There are two sides to every story." Really there are three sides, my side, your side, and the right side; too often times today this is true. No matter how large or small the matter we are writing about we need to make a good impression. What you say in your letter you should want to say to the person's face to whom you are writing.

According to reliable surveys, 85 per cent of today's business is carried on either wholly or in part by mail. Letter writing in this country has become big business. It is estimated that more than \$12 million is spent on letters every working day or about \$4 billion a year.

Such an investment deserves careful planning. Yet nine out of every ten business letters are poorly planned and carelessly written. Many firms that spend large amounts each year on advertising and public relations actually sabotage their own efforts by doing a poor job on their business letters.

A lot of us do not stop to realize the importance of letters in the *human relations* of business—the power of our letters to influence the people who read them. We overlook the fact that *every* letter, even if it deals with a routine situation, should be a silent salesman. It should build good will and confidence, and "sell" the company as a friendly, human group of people.

Whenever you write a letter on your company letterhead, you are the company to the person who receives that particular letter. The reader thinks of your firm as being either co-operative or indifferent, either friendly or cold, depending on the way you write that letter. By what you say, and how you say it, you have the power to build either *good* or *ill* will every time you write a letter.

The correspondence manual of the Detroit Bank, of Detroit, Michigan, contains a message that every letter writer should think about. It goes like this:

"Did you ever stop to think how important are the letters you write? They are important to *you* as an individual and to the concern you represent.

"A letter is your official, written statement on behalf of the company. Once it has been mailed, it can not be revised, retracted, or recovered.

"Your letters reflect the pride, or the lack of it, that you take in your firm and in your job. Every time you write a letter, you take the firm directly into the home or office of your reader. What that reader thinks of you and of your organization will be influenced by the quality of that single letter."

Make quality count. Make letter perfection your goal! No group in the whole field of retailing has better reason than the credit executives to take letter writing seriously.

The credit department is constantly engaged in the important business of public relations. Letters granting or declining requests for charge account, letters inviting credit patronage, letters soliciting the renewed use of inactive accounts, even collection letters—are all avenues of public relations. The skill—the finesse with which these letters are written will determine their "Pulling Power" in getting the results you want.

Are your business letters sent out in the language of 50 years ago?

I wish to advise and beg to state
That yours has arrived of recent date.
Since contents of same were to me addressed;
I hasten to answer your valued request.
Herewith enclosed is the data you mention;
I hope it will merit your kind attention.
Your prompt reply, please permit me to state,
Should be sent to the writer at an early date.
So I hope you will not delay it unduly,
And I wish to remain, yours very truly.

Watch your own letters carefully. Do not let these moth-eaten expressions find their way into any message that carries your signature.

The success of your credit department letters is determined to a large degree by the effectiveness with which you express yourself.

Call a man a coward and he is ready to fight; say that he is cautious, and he will agree. Tell him that he is stingy and you have made an enemy for life; say that he is economical and he will like it. Call a woman extravagant and she will be furious; say that she is generous and she will think you are a very discerning person.

It is not so much what you say, as how you say it, that makes the reader feel mad or glad. Make it sound like good news. How many words can you save? It is a good question that each of us can ask ourselves when writing a letter. Write to John Jones and John Public, it is just as easy to accord each customer personal recognition, and he will like it far better than being buried in the company records or treated as "one of two billion other people". Give every letter the personal touch! Put friendliness into your letters—for example here are two letters that grant customers' request for a charge account.

Dear Mrs. Thomas:

In compliance with your recent request for a charge account one has been opened in your name. It is now available for use at your convenience.

Our statements are rendered the first of each month, and payment is expected by the tenth.

You will find an account here a great shopping convenience, and will no doubt wish to make use of it often.

Yours very truly,

Dear Mrs. Thomas:

Your charge account is ready for your use, and we know you will enjoy its many conveniences. You will find that it makes shopping at Blank's both pleasant and easy.

Statements are mailed the first of each month and are payable between that date and the tenth.

We look forward to serving you soon through your account. Please tell us of any way in which it can be made more useful to you.

Sincerely yours,

The first letter is spiritless. It wastes a golden opportunity to build good will. The second letter capitalizes on this opportunity by showing a genuine interest in the customer.

Collection letters particularly, having a most difficult task to perform, should be written with care and understanding. The day of cold and harsh communications is past.

A good collector is really a salesman. He is "selling" the advantages of prompt payment to protect the customer's

What's New in Books

Consumer and Commercial Credit Management (Richard D. Irwin, Inc., 1818 Ridge Road, Homewood, Illinois, 765 pages, \$9.00.) This book by Robert H. Cole and Robert S. Hancock, meets the need for a basic text for credits and collections courses of one semester offered generally in the first or second semester of the junior year. The arrangement of material is logical and teachable. The approach of the entire volume is one that recognizes the task of analysis and decision to be basic to the field. Each of the main sections, consumer credit and commercial credit, is given equal emphasis.



Do They Understand You? (The Macmillan Company, 60 Fifth Avenue, New York 11, New York, 200 pages, \$4.95.) This volume, written by Dr. Wesley Wiksell, Louisiana State University, is written in an easy-to-read, informal style, containing examples from interviews and tape recordings in industry, illustrated by pertinent quotations from the Bible to *Esquire*. Self analysis question sheets and selected bibliographies are also included in this practical self-help book that enables the reader to make his needs, desires, and opinions better understood by his business and personal associates.



Executive Action Simulation (Prentice-Hall, Inc., 70 Fifth Avenue, New York 11, New York, 88 pages, 8 1/2" by 11", \$5.00) This book, by Lowell W. Herron, is an instructional device designated to motivate potential executive personnel to learn more of management procedures by using the knowledge they already possess. A highly competitive business game, it provides these trainees with a laboratory experience in management decision-making.



Retailing Management (The Ronald Press Company, 15 East 26th Street, New York 10, New York, 809 pages, \$8.00.) This book is the Second Edition of "Retailing Principles and Practices," by William R. Davidson and Paul L. Brown, both of Ohio State University. It refines and expands the successful pattern of analytical, evaluative and realistic discussion of modern retail business

credit standing. Abrupt demands and harsh criticism arouse resentment and drive the customer away rather than bring him in. Your collection letters should always be: courteous, concise, complete, confident, co-operative, compelling, and constructive. Unfortunately, the first and last sentences are frequently the weakest ones of the entire letter and they should not be. First impressions are very important and the final ones are very lasting. A good opening sentence for example would be:

It is a pleasure to send you the information requested in your letter of March 15th.

Instead of backing weakly into the close use a sentence like:

You will find a cordial welcome awaiting you at Blank's.

or
Do come in soon and say, "Charge it, please."

Get the Little Things Right:

A letter written in careless haste
Is paper and postage gone to waste.
Whenever I see a misspelled word,
I soon lose faith in the one who erred.
Though the writer improves upon my name,
The change annoys me just the same.
I find that faulty punctuation
Complicates the situation.

management that distinguished the first edition. The book offers more than 51 cases and problems, numerous illustrations and tables, ample question material and selected bibliographies.



The Secretary's Handbook (The Macmillan Company, 60 Fifth Avenue, New York 11, New York, 575 pages, \$4.95.) This classic handbook has been thoroughly revised, enlarged and reset in an attractive new format. Hundreds of thousands of people have been guided by this book since its original publication in 1929. Anyone who uses the English language, at home or in offices, employees or employer, should have this volume, which provides the most up-to-date and complete information on any writing problem from the smallest detail of punctuation to the most complicated document. Every secretary would be glad to have this book at her elbow.



Medical Fee Guide (Medical Fee Guide Publication, P. O. Box 3705, Stanford, California, 564 pages, \$20.00.) \$50,000 on research was spent to produce this book. It has been painstakingly assembled, involving much thought and thousands of man hours. This is the first time a tabulation has been made of Workmen's Compensation, Medicare and Blue Shield fees. The information contained in this book will be of universal interest to the medical profession since it presents, in a comparative manner, a picture of the free structure representative of all parts of the continent.



Practical Control of Office Costs (Management Publishing Corporation, 22 West Putnam Avenue, Greenwich, Connecticut, 160 pages, 8 1/2" by 11", \$12.75.) This book offers a low cost, highly effective way to reduce and control office costs without resorting to expensive automation. The authors state that with the program they offer, office costs can be cut by 20 to 30 per cent in a few months, with larger savings to follow. They state that the approach works in any office where repeat work is done, whether there are five employees or 5,000.

I despise the man intent on speed
The one whose signature I can't read.
If letter writers were just half bright,
They'd stop to get the little things right!

To illustrate here is a letter received by a credit manager who had inquired about the reason for a customer's long absence from the store:

Dear Mr. _____:

Your letter this morning pretty well illustrates the reason I have not used my charge account. To begin with, my name was misspelled—so were two words in the letter itself. You also gave me a new Middle Initial. It may be just as good as the one I use; but after all these years I think I'll stick to the old one, thanks.

And really, Mr. _____, some of the punctuation in your letter would "flunk" you cold if you were doing the fifth-grade English assignments that my young son brings home every night.

I suppose my account has not been used mainly because of a little matter of service that irritated me several months ago. I'll admit it was a minor incident, and that it could happen anywhere in times like these.

But your letter really disturbs me. If those who keep the books for your department practice the same brand of "efficiency" that you do in your correspondence, there is no telling what might appear on my statement.

Yours very truly,

The Advantages Of Extended Terms For Charge Accounts

DEAN ASHBY

Credit Sales Manager

The Fair of Texas

Fort Worth, Texas

NEVER IN THE history of modern retailing has the oneness of credit and sales been so emphasized. Never before has the credit executive had more opportunity to prove the creative and dynamic function, or to lift himself in the estimate of top management.

Anybody can sell to premium accounts in a seller's market. But it takes real credit understanding of the nature of the risk to select marginal accounts and build volume. A preview of the account is an important aspect of selling today.

Someone with executive experience and judgment in credit relations has to review the situation frequently, altering decisions to meet the shifting position of the account.

There are many thousands of dollars of potential sales volume in the credit department's files, and twice as much in the alert imagination of the credit executive who knows his accounts.

The customer looks to you and your store for more than just the "privilege" and it is not a privilege of having an account. She expects convenience, some flexibility, some suitability, and adaptability to her own personal needs.

The customer really wants a 30-day account which would be flexible in terms whenever it is necessary or expedient to make it so; an account which would permit extra time to be taken without embarrassment.

In other words, many customers want occasional extensions without being required to beg for them; extensions granted on the basis of paying a carrying charge which would provide the customer with some sense of having paid for the extra service rendered. She wants a plan which permits her to take additional months but only when she prefers to do so or is necessary to do so.

So, create a new charge account plan by simply combining the best features of your 30-day charge account and a simple revolving plan with flexible terms.

A 30-day charge account with option terms, ordinarily payable in full each 30 days, but the account can be payable, on occasions, whenever the customer elects; in up to four to six monthly payments, with a service charge on that amount of the balance that is not paid and is carried over. Few customers have any objections to a charge on the past-due portion of the balance they owe.

This option plan permits you to promote the kind of credit accounts believed to provide the greatest potential amounts of business and profit—and to do so with customers who qualify for open account credit in substantial amounts.

The actual "Effect of Option Accounts on Consumer Buying Habits" is most vividly emphasized by the information I have been able to obtain from various stores across the country who have had option plan in practice for a reasonable length of time.

The following are reports which I have received on these experiences:

STORE 1:

"It is a very noticeable fact that the Option Account has increased the buying habits of the consumer since our introduction of this plan. The fact that our total outstanding has doubled within one year is indicative of the increased volume of business we are obtaining. Our experience on collection turnover fluctuates from 26 to 28 per cent, or a four month pay off on a six month plan.

"Our average sale increased from \$6.00 to \$10.50.

"Our bad debt loss during 1958 increased only .03 of one per cent over 1957."

STORE 2:

"Instead of converting all accounts immediately to the new Option Plan, we elected to convert them gradually. Today, 80 per cent of our charge customers use Option Plan Accounts.

"We had 20 per cent more credit sales during the first year and Accounts Receivable increased 25 per cent. Increased credit sales indicate that customers favorably received the new Option Terms, and it has definitely been used as an excellent selling tool.

"Collections during 1958 averaged between 38 and 40 per cent.

"It is noticeable that many former habitual delinquent 30-day customers now pay their accounts in full each month to eliminate the service charge. Customers come to our office to thank us for the convenience of Option Terms and we find a customer who understands the purpose of service charge, seldom objects to having it added to the account. We do not feel that business has been lost to competitors because of that charge."

STORE 3:

"During the nine months which we have had Option Terms on our accounts, we have increased our charge business six per cent. There has been little or no objection to service charge and we find it quite an incentive to encourage people to pay promptly to avoid the adding of this charge. All of our accounts are on the Option Plan at the present time.

"Our collection percentage has only shown a decrease of one per cent over the previous year.

"We are most favorably impressed with the outcome of this venture."

STORE 4:

"It is definite that customers will buy more on an Option Account. Many of our well rated customers, over a period of years, made only small purchases from time to time. These same customers now consistently run a sizeable balance. These are no exceptions.

"The adoption of Option Accounts did slow our collections some and I am convinced that a number of our people feel that, as long as we are getting a service charge, they can skip our payment in favor of one to some other account. However, this is not serious."

STORE 5:

"After having Option Plan Accounts in practice for a period of approximately four months, we selected a group of these to make a comparison with their volume of usage the previous year over the period of our Option Plan Account.

"The study reveals that the usage, after the conversion to Option, was 86 per cent greater than the usage one year prior when the accounts were carried on a regular account basis.

"While this sampling is admittedly small, and by no means conclusive, we believe the results of the study indicate that the Option Account has increased our charge sales.

"Our collection turnover has been most satisfactory and we expect to continue to push this type of account."

STORE 6:

"An analysis made on our Option Plan Accounts disclosed that 65.4 per cent of charge purchases were being made on this type of account and has been continuously on the increase since our adoption of the Option Plan.

"Our collection percentage increased .7 of one per cent in the second half of the year as compared to the first half, which is indicative of our understanding the plan and selling it better to our customers.

"Service charge assessed averaged .69 per cent of dollar invested in Option receivables at the beginning of each month.

"Based on average assessed out of every one hundred accounts, approximately 46 are paying service charge each month. Customers and management seem to be most pleased with this plan."

STORE 7:

"The recent analysis made of our experience with Option Plan disclosed that, after two years, we are placing 47 per cent of our charge volume on Option Accounts, whereas, the first month we introduced it, only 14 per cent volume was placed on these accounts. Likewise, our Option Plan outstanding has increased to 23 per cent of our total; whereas, the first month it was only 8 per cent.

"The number of active accounts has trebled in two years time—60 per cent of these represent new accounts opened and 40 per cent transferred from our previous regular account category.

"Today, the Option Plan Account shows a greater increase in average purchases of any type of account we carry on our books and we are convinced, eventually, we will go to 100 per cent Option Plan as soon as local conditions warrant it.

"Customer reaction has been most favorable and has been a motivating factor for increasing the number of this type of account. Convenience of shopping during the heavy buying periods seems to be a most accommodating factor of Option Plan Accounts."

It is evident from the experiences of these fine stores that those using it are sold on the plan and expect to eventually create 100 per cent acceptance on the part of their charge customers.

**You Would Be Surprised How Many Would Join NRCA
IF YOU ASKED THEM**

How They Size You Up For Credit

Seat yourself at the credit manager's desk.

See how he sorts out the good and bad risks.

IMAGINE WHAT it would be like if everyone had to pay cash on the barrelhead for everything he owns or uses—house, car, fuel, electricity, milk, furniture, washing machine, television set, and so on. Not long ago most people did have to pay on the spot, and as a result only a few were able to own the goods or enjoy the multitude of conveniences that are now available to just about anyone—that is, anyone whose credit is good.

How good is yours? Say you wanted to open a charge account at a department store, buy a boat on the installment plan or obtain a national credit card. Would you have any trouble? How would they go about sizing you up?

Sit at the credit manager's desk and see yourself as he sees you before he initials the card that says you are okay for credit.

The merchant is after profits. He wants you to buy and buy and buy. And he is anxious to give you credit to help you do so. But he wants you to pay your bills, too, for most of what you owe him he very likely owes elsewhere.

Some merchants are afraid of credit. They restrict it so rigidly that it does not boost sales much at all. Others are too greedy. They encourage customers to overbuy, let them get into a jam and perhaps eventually get into one themselves.

A good businessman will encourage you to open an account with him but will check you carefully when you do. Half the job of collecting an account, say credit people goes into the effort of checking on it when it is opened. The more carefully the checking is done, the less trouble later.

Here are the basic questions a credit manager tries to answer when he opens an account. Some of the information will come directly from you when you fill out an application blank or are interviewed. Much of it will come from other sources: your bank, your employer, out-of-town credit bureaus, other merchants, your personal references, maybe your neighbors and landlord.

Who are you? Name and address are not sufficient. The account must show enough identifying information about you so that you won't be confused with anyone else. One credit bureau reports 1,350 variations on the name John Smith (J. Smythe, Jon Smith, John Smit, etc.) in its files.

What are the basic questions a credit executive tries to answer when he opens an account? What happens when a customer has had some tough times in the past and was slow in paying a few old bills? What happens if a customer has never had credit before? These and other questions are answered in this interesting article reprinted here by permission from *Changing Times*, The Kiplinger Magazine, 1729 H Street, N.W., Washington 6, D. C., July 1960.

But even if you have what seems like an unusual name, there is always a chance that someone else will turn up with one like it. So your spouse's name and your middle initial or name are needed, too.

Who you are includes age and family status, for the credit analyst is trying to determine what sort of person you are. Stability is thought to increase with age. From the mid-twenties on, you were likely to be less impulsive, less daring, more conservative. Until recently few companies granted credit to teen-agers, though stores are beginning to do so now under limited conditions.

Most stable age bracket is 35 to 65. If you are older, you may be turned down for credit unless you can offer security, have had an active account for a long time or clearly have wealth or a good income.

Married people are considered better risks than single people or those who've been divorced or separated.

Where do you live? If your neighborhood is respectably "middle class," fine. If you have lived at the same address three years or more, so much the better. If you are a renter, that is okay, too, but if you own your home, you are tops.

The credit man's smile is not quite so bright, on the other hand, if your address tips him off to any of the following: The neighborhood is run down or has an unsavory reputation. You receive mail care of a friend. You live in a furnished apartment, rooming house or cheap hotel. You have been living there less than a year. Worst of all, you are a transient with half a dozen addresses in your recent past. Any of these will alert the credit man to dig deeper.

What's your income? Now you are getting close to the nub of the matter. The credit man will undoubtedly ask you how much you make. He would also like to find out, if he can, what other income and assets you have, as well as how much other members of your immediate family bring in. But the basic figure that he will really be interested in is how much the person who opens the account earns.

The stability of that income is very important, too. How long have you been on your job? Five years or more—good. Less than two years—caution.

As for your future prospects, he may not come right out and ask you what they are, but he will make a judgment based on the type of work you do.

Here is a list of occupations in the order in which many credit men rate them. Above the line are jobs that are pretty secure and require experience and seniority to get ahead. Below the line are occupations the credit man may worry about. Shakiest, from his point of view, are at the bottom.

executive
professional
officer in armed services
employee of financial institution

civil service worker
office worker
farmer (owner)
small retail proprietor
employee of public utility

insurance agent
traveling salesman
unskilled factory worker
nurse
building-trade worker
tenant farmer
laborer

worker in service trades; barber, waiter, tailor,
beauty shop operator, bartender, domestic, entertainer

How much credit can you handle? In order to find out, the credit man tries to judge what your income is after basic expenses. His chief clue is the number of your dependents. As a rule of thumb, he will deduct about \$500 a year from your income for each one.

As for your limit, that can't be pinned down precisely. But credit analysts use the following broad guidelines:

On a 30-day charge account they figure you can safely run up roughly two weeks' salary. However, as a precaution many say that the average customer shouldn't be permitted to boost his charge-account debt above the following without the supervisor's personal okay:

income	debt
\$3,500—\$5,000	\$75
\$5,500—\$7,000	\$150
\$7,500—\$10,000	\$250
over \$10,500	\$400

On instalment purchases, they suggest that, in general, the average family can assume an obligation of up to 12 per cent of its basic monthly income, with one per cent deducted for each dependent.

These judgments vary with circumstances, of course. Thus, if you are buying an item that retains substantial resale value, such as a car, you can obtain far more credit than if you buy something that depreciates rapidly.

Remember that the limits refer to over-all credit obligations, not merely to one transaction. And most important, do not arbitrarily use the above maximums as a guide for yourself. They are only a general indication of how credit men figure what's safe for them. Your own judgment of what is best for you depends on a careful look at your own budget.

Will you pay? This is the single most important determination that the credit man must make. People with moderate incomes are often far better credit risks than people with high incomes but expensive tastes and little sense of responsibility.

Your character is what counts, and to assess it the credit man must study all the information he has gathered and match the strong points against the weak ones. But the important item is your past record. If you have paid promptly in the past, particularly the recent past, then presumably you will continue to do so.

Many credit managers can make a pretty good judgment based on just two factors—reports from other merchants plus your occupation. If reports say "prompt pay" and you are in a highly secure job, okay—subject to reversal, however, if some strong negative information should turn up.

What if you have never had credit before? The merchant will look more carefully at your position, earnings, capital assets and general reputation.

What happens if you have had some tough times in the past and were slow in paying a few old bills? That de-

pends upon what the reasons were and how you handled the situation. If your trouble came during a general depression or because of some personal emergency, such as job loss, it will probably be discounted—especially if your more recent record is good and if when things were tough, you took every care to preserve your reputation, as described below.

Nationally, bad-debt losses on monthly charge accounts range from one-tenth of one per cent to one per cent of credit sales. Instalment bad-debt losses range from one per cent to two per cent of instalment sales. That does not seem like much at first glance. The trouble is that many people who do eventually pay up are slow and that's expensive to the merchant. He figures a cost of four per cent to nine per cent of gross credit sales to set up and run his credit department. Slow payers boost that percentage.

As an account ages—that is, remains uncollected—its dollar value gradually declines. The cost of collecting it goes up, the chance of its being completely defaulted increases and the merchant cannot offer it to a bank as collateral for a loan. According to some credit people, the average owed dollar is likely to shrink as follows:

current	\$1.00
2 months	.90
6 months	.67
1 year	.45
2 years	.23
3 years	.15
5 years	.01

Small wonder that a merchant worries when payments fall off and wants to help protect other businesses by flagging risky accounts.

Does that mean that he will put the sign on you the moment you delay a remittance? No. But he does have some reasonable expectations. Here is how to stay in his good graces:

1. **Do not get in over your head.** Just because credit comes easily does not mean that you should overuse it. A pattern of continuous high debt in relation to income doesn't look good.

2. **Keep up your payments.** Know what and when you you are supposed to pay. An occasional delay will not hurt. Chronic delays might dub you as "okay but slow." National gasoline companies, credit card people and many others are leery of slow payers and drop them quickly.

Generally, you are expected to pay within 45 to 50 days for a charge purchase. Half of all credit customers do so, and most of the rest pay within 90 days. If you habitually let things go to 90 days, though, you are tagged as slow.

The credit bureau, which is a central clearinghouse of information for merchants, may receive a report on you if you do not clear up a charge-account debt after several statements or if you miss two or three instalment payments.

3. **Do not become a collection problem.** Ten per cent of the people who buy on credit cause the headaches of credit men. They do not pay and do not say why. Eventually most of them do cough up, but only after dunning. The result is a spoiled credit record.

If you cannot pay a bill within a reasonable time, get in touch with the seller and tell him why. Explain when you will be able to pay and then keep your promise.

4. **Tell creditors when you move.** If you are moving out of town, pay up first.

5. **Track down errors.** If you are denied credit, find out why. There may be a mistake, and if so, you had better try to get it straightened out.

Remember, good credit is your key to a world of material comforts. Lose it and you lose a tool that greatly magnifies the power of your dollar. ★★★

Improving Hospital Public Relations

SISTER E. MADELEINE

**Controller, Saint Mary's Hospital
Huntington, West Virginia**

PUBLIC RELATIONS is a valuable asset to the hospital. As far as the patient is directly and personally concerned, Public Relations originate in the admitting office. It is here, at the start of his visit, that he likes or dislikes the hospital during his stay and after his discharge. His feeling toward the hospital affects the payment of his bill, so it is logical that a routine involving the collection of patients' bills start with the admission of patients.

The organization and procedures of the admitting office should be given the utmost consideration.

Of the utmost importance is the personality of the admitting officer. She should be attractive, cheerful, patient and sympathetic. She should be social minded, statistical minded, have a complete knowledge of the medical staff, medical terms, and hospital routine. She must have the cooperation of all the departments of the hospital. Her philosophy should be, "The patient's troubles are the most important on earth."

The number of admitting officers needed is dependent upon the bed complement and turnover of patients.

The present trend in hospitals is to do as much as possible of the preliminary work before the patient arrives.

The "Hospital Credit and Collection Manual" published by the National Retail Credit Association states that 70 per cent of all patients can be "pre-admitted." To be successful, definite systems and procedures are necessary. The administrator should be in complete agreement with the procedure, and it is of the utmost importance that the medical staff fully understand what is involved in pre-admission. The objective of this procedure is to get the patient to bed as quickly as possible after he arrives at the hospital. "The faster the admission procedure can be accomplished, the smoother will be the entire hospital operation."

"There are two methods of obtaining pre-admission. (1) The use of a printed form, and (2) The use of the tele-

phone." The telephone, when practical, "has obviously great advantages in that all details can be obtained in one call and patient's questions immediately answered."

The form may not always provide exactly the information which the hospital wants because the person filling out the form may misinterpret the questions.

Closely allied to the admitting office of the hospital is the credit office.

The credit policy of the hospital should be on a basis that will neither discourage the patient nor pave the way to making a bad debt.

A successful credit officer must be a diplomat. He or she must be able to get all the necessary credit information without antagonizing or offending the patient. He should know when and how to suggest lower priced accommodations. He must know how to obtain information from the attending physician. He must know and consult, when necessary, the credit agencies for information. Above all, he must be human and ever mindful of the purpose for which the hospital exists, namely the care of the sick and injured.

Some of the duties of the credit office are:

1. Interview all patients unable or unwilling to pay regular hospital rates.
2. Recommend rate adjustment. This should be approved by the administrator or controller.
3. Secure signature of guarantors.
4. Recommend transfer of accounts to attorney or collection agency.
5. Recommend write-off of bad debts.
6. Review daily the balances on accounts of patients in the hospital.
7. Assist in collecting unpaid charges origination in out patient department.
8. Make arrangements for instalment payments of
(Turn to "Public Relations" page 17.)



**HOSPITAL
STREET
CITY**

PRE-ADMISSION REGISTRATION

Accommodation desired (Identify by X) Private ☐ Semi-Private ☐ Ward ☐

Date to enter hospital Approximate time

Name

Last Name Given Name Maiden Name

Address Phone

Age Sex Date of Birth Birth Place Race

Married ☐ Single ☐ Widowed ☐ Divorced ☐ Separated ☐ Religion

Occupation Employer

Address Phone

Have you ever been a patient in this hospital before ☐ When

Under what name

Nearest Relative or Friend Relationship

Address Phone

Occupation Employer

Attending Physician

FINANCIAL ARRANGEMENTS

Bill to Relationship

Address Phone

Occupation Employer

Private Case (Identify by X) Blue Cross ☐ Other Coverage

Group No. Certificate or Policy Number Home Allowance

Other Insurance

Name Address

Other Information

IF YOU HAVE BLUE CROSS, PLEASE PRINT YOUR NAME.
IF YOU HAVE ANOTHER INSURANCE, PLEASE PRINT YOUR POLICY.

Dear Friend: Please complete and return before your entry into hospital in order that you may be taken immediately to your room upon admission.

CABELL HUNTINGTON HOSPITAL

Dear Friend:

Cabell Huntington Hospital wishes to extend to you a friendly welcome. Your doctor has made reservation for your accommodations with us. If we can have the following information prior to your admission, there will be no delay when you arrive. Those of us who serve in the hospital are dedicated to the purpose of caring for you in the best possible way. It is because of this concern that we have developed this letter of pre-admission.

Name (Mr./Miss/Mrs.)

Address

Street City State Phone

Person to be billed or, name of person whose insurance will be used:

Name

Address

Relationship Occupation Employer Address of employer

Nearest relative

Relationship of patient Age Sex Race

Religion Do you wish your Relative notified - Yes ☐ No ☐

Name of insurance co. through employment - Carl. No. Group #

Effective date Policy # Term rate per day

Do you belong to Red Cross Blood Bank ☐ AHS-420 Blood Bank ☐

Have you been a patient in Cabell Huntington Hospital before ☐

Your doctor Date of reservation

Type accommodation desired: Private ☐ Semi-private ☐ Ward (if both)

Please bring your insurance policy if we can assist you in obtaining full

benefit. After we receive this from you will not be billed upon at the time

of admission or during your stay for any additional information, then bring

you with you. Time of admission is between 1:00 and 5:00 P. M. Please drop

by the admitting office for assignment of room number.

Please Seal Envelope

Chief Admitting Clerk

JA 5-5325 - 2d Ed. 256

NOW! A New Approach to the Credit and Collection Problems of Hospitals

HOSPITAL CREDIT AND COLLECTION MANUAL

SEVEN CHAPTERS

Chapter 1—Something About Retail Credit

Chapter 2—Pre-Admitting and Credit Procedure

Chapter 3—When the Patient Arrives

Chapter 4—While the Patient Is Still in the Hospital

Chapter 5—When the Patient Is Discharged

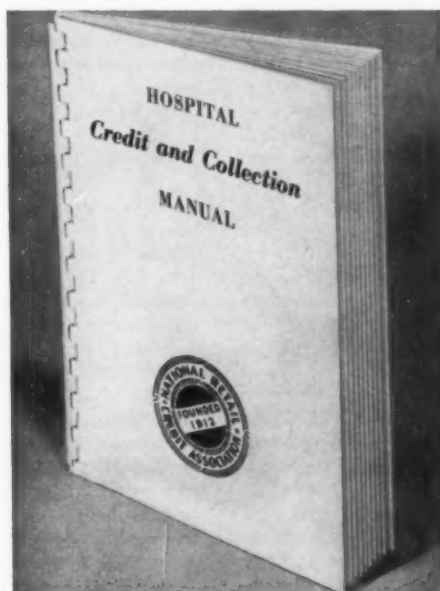
Chapter 6—After the Patient Is Discharged

Chapter 7—Principles of Effective Letter Writing

Plus a Complete Collection Procedure and Several Original Collection Letters

68 pages

Color-film
board cover



Printed on
offset paper

Plastic comb
binding

Training Manual for Credit and Collection Personnel in Hospitals

This book has been published in response to many demands for a practical handbook of credit and collection procedure especially for hospitals. It brings to the hospital field those principles and practices of consumer credit which have been successfully followed in retail stores and firms for years but specifically adapted to the special differences of credit management in the hospital field. Credit is becoming more and more utilized in hospitals because patients are increasingly *credit-minded*. This book helps to establish hospital credit and collection policies which will increase patient satisfaction and also add immeasurably to the hospital's revenue. The book has the approval of hospital administrators and credit managers and has earned widespread endorsement.

PRICE \$2.00 POSTPAID

MAIL THIS COUPON TODAY!

NATIONAL RETAIL CREDIT ASSOCIATION
375 Jackson Avenue, St. Louis 30, Missouri

Please send me.....copies of *Hospital Credit and Collection Manual*.

Name.....Address.....

City.....Zone.....State.....

Check enclosed.....Mail me a bill.....

Chicago Conference Notes

Report of the President David K. Blair

BEFORE WRITING this report, I thought it wise to read the reports of some of my predecessors, so I might have some guide towards the proper type of report. I read the report of my good friend, Clarence Wolfinger, wherein he reported a membership of 29,737; the report of our beloved Willard Frieberg who reported 33,401; the report of Henry Alexander, and the others who have served so faithfully during the intervening years. Who would have dreamed those few short years ago that our membership would reach 50,000 by 1960! Thanks to membership chairmen Charlie Sheldon and Clarence Wolfinger, this will undoubtedly be considered the greatest achievement of this past year. There have been many other gains, it is true, but the most concrete, the strongest, and the most important gain has been that of membership.

There have been other achievements during the past year. The National Retail Credit Institute will come into being during the next few weeks. Also we will have presented to us the program for the National Junior Credit Executives Club. After many years of planning these two programs are flowering and should begin to bear fruit shortly. These programs mark a big step forward in our total educational program. We are confident that they will achieve the success they so justly deserve.

It is only fair that I report to you the bad as well as the good side of the past year. It has not been all smooth sailing for this Association and its membership. Though our own programs have been advancing steadily we have been plagued with problems of legislation at both state and national levels. This legislation has caused great concern to your national officers and much effort and time has been expended in the effort to control such restrictive bills as have been proposed in state legislatures and in the Congress. It is not the province of this Association to lobby for or against any such legislation. It is our duty, however, as an educational organization, to keep our membership acquainted with the situation so that they, individually, can register their approval or disapproval to the proper legislative body. To this end, I have traveled widely in an effort to spread the story of our mutual problems. I have flown over 50,000 miles during the past twelve months, talking to local associations and attending nine of our eleven district meetings. Whether or not my efforts in this regard will have achieved any results only time will tell.

One conclusion I have drawn and that is that we have failed to establish a proper public image of the Credit Sales Manager. I believe that most of the restrictive legislation that has been planned or passed stems from a misconception of the role of the modern credit manager. For some reason, we are still looked upon in some circles as a combination of Simon Legree and Shylock. This is not only shocking; it is tragic. It demands from us increased education of the consumer on the role of the credit sales manager in today's economy. It means greater emphasis on National Retail Credit Week. Frankly, it means National Retail Credit Week 52 weeks out of the year. I am firmly convinced that this we must do; and do promptly.

What value is professional status for credit management

through the National Retail Credit Institute if the profession is looked upon with disdain by the general public? No longer can we take public opinion for granted. It is our great task to mold public opinion into the form that we know it should be. This we can and must do. We cannot fail in this most important task.

Report of the Executive Vice President William H. Blake

IT IS MY privilege to submit to you my first annual report. We have had a successful year in many respects. The past twelve months have been a period of transition, evaluation, and programming for the future. As N.R.C.A. enters its forty-ninth year of service to the consumer credit profession it can look with pride upon its accomplishments and begin to build for an equally successful future.

By necessity, the report of your Executive Vice President will, this year, encompass eleven months of operations. In my regular monthly report, the eleven months' financial statement indicated that we are operating within our income. Our costs have risen, like those of all other business operations, and it will be increasingly difficult to live within our income should our costs continue to be affected by inflation.

N. R. C. A. will end the fiscal year with approximately 50,000 members. At the end of the eleven months' period our net membership stood at 49,646. We expect to have a net growth of over 3,000 members at May 31.

Our N. R. C. A. Group Insurance Program is a going operation. We presently have more than 2,000 lives insured, amounting to over \$10,000,000 coverage. To date we have paid seven death claims amounting to \$35,000.00. Eventually, we hope to have 5,000 lives covered by this Plan. There are several states where we have been refused entrance, due to state laws. We are about to enter Canada with the plan and anticipate around 500 additional lives covered.

In December, 1959 we purchased the adjoining property to the National Headquarters office for \$25,000.00. This was a cash transaction and reduced our liquid cash position for the time being. We will rebuild this as dues are received from the increase in membership.

I should like to note the work that President David K. Blair has done in public relations for N. R. C. A. this year. He has visited almost every district, appeared on the National Consumer Credit Conference program, visited several of our local retail credit associations, talked with members of Congress, and testified before the California Consumer Credit Council. He has travelled more than 50,000 miles, carrying the National Retail Credit Association story to the people. He is to be personally congratulated on this outstanding job.

Your Executive Vice President has visited in all districts and made addresses or appeared on panels in most instances. Press, radio and television coverage has been used to tell the public about N. R. C. A. and the consumer credit sales executive. The coverage has been very good and many friends have been made for the industry.

Our staff consists of sixteen full-time and two part-time employees. They have been doing a praiseworthy job. We have been extremely fortunate to have capable per-

sonnel to handle our volume of detail. Three staff members, Mary Riordan, Gertrude O'Connell and Esther Rohlfing, have each been with the Association for thirty-five years. Arthur Hert is completing his 26th year, while Leonard Berry is in his 11th year of service. Mrs. Eileen Hannefin, now retired, completed 25 years of service as of January 1, 1960. The remainder, Miss Baeumker, Mrs. Browne, Mrs. Decker, Mrs. Murphy, Mrs. Neislein, Miss Schlueter, Miss Szepanski, Mrs. Verzoni and Miss Vietmeier, and myself, are under five years of service. There are two part-time employees on the janitorial staff.

In addition to these people, we have Financial Counsel Lindley S. Crowder, Washington Counsel John Clagett, Legal Counsel George Dyer, and CPA Counsel Bernard Blume.

We are no longer a small organization. It takes a large number of people to serve 50,000 members. As we endeavor to move into new areas, our costs of operation increase. Our new budget reflects a substantial increase over last year. Much of this merely covers inflationary costs, but some will be available to expand our operations.

I want to take this occasion to thank not only the past and present officers of N. R. C. A., ACBoFA and the CWBCofNA, but the many members of the three organizations for the splendid cooperation I have received. Also, I acknowledge with thanks, the devotion and interest of the loyal members of the National Office staff.

Quarter Century Club Breakfast

THE FIFTEENTH Annual Breakfast of the Quarter Century Club of the National Retail Credit Association was held at 7:30 a.m., Wednesday, June 8, 1960, at the Palmer House, Chicago, Illinois. The following were present:

George B. Allan, Credit Bureau of Greater Springfield, Springfield, Massachusetts; Dean Ashby, The Fair, Fort Worth, Texas; Ted E. Barger, Credit Bureau of Lincoln, Lincoln, Nebraska; Herb Barnes, Executive Secretary, N.R.C.A. 10th District, Seattle, Washington; Leonard Berry, N.R.C.A., St. Louis, Missouri; E. H. Biermann, Credit Bureau of Des Moines, Des Moines, Iowa; A. C. Bittle, Credit Bureau of Knoxville, Knoxville, Tennessee; Harland Bush, Credit Bureau of Geneva, Geneva, New York; Frank T. Caldwell, The Credit Bureau of San Francisco, San Francisco, California; Miss Caroline Condon, Credit Bureau of Kitsap County, Bremerton, Washington; Clayton E. Cormier, Credit Bureau of Bay City, Bay City, Michigan; L. S. Crowder, N.R.C.A., Vero Beach, Florida; Miss Ethel M. Dopp, R. J. Martin & Company, Spokane, Washington; Thomas Downie, Credit Bureau of Vancouver, Vancouver, B.C., Canada; Giles C. Driver, Retired, Westlake, Ohio; H. Frank Ferguson, Credit Bureau of Lebanon County, Lebanon, Pennsylvania; J. C. Gilliland, Fingerhut Manufacturing Company, Minneapolis, Minnesota; Wimberley C. Goodman, Reynolds-Penland Company, Dallas, Texas; G. Grosz, Credit Bureau of Fargo, Fargo, North Dakota; Arthur H. Hert, N.R.C.A., St. Louis, Missouri; W. H. Jernigan, The Credit Bureau, Mobile, Alabama; Owen M. Jones, Washer Brothers, Fort Worth, Texas; Mrs. Belle Keitges, Socony Vacuum Oil Company, Lincoln, Nebraska; Harvey King, Tennessee Adjustment Service, Nashville, Tennessee; J. Kenneth Lawler, Credit Bureau of Worcester, Worcester, Massachusetts; Helen M. Lybold, Weinbergs, Butte, Montana; J. D. MacEwan, Retail Credit Association of Portland, Portland, Oregon; N. M. MacLeod, Credit Bureau of Spokane, Spokane, Washington; H. F. Otstot, Credit Bureau of Alton, Alton, Illi-

nois; Lily Person, Plymouth Furs, Minneapolis, Minnesota; Thomas G. Rabey, Credit Bureau of Greater Muskegon, Muskegon, Michigan; Hugh Reagan, Cain-Sloan Company, Nashville, Tennessee; V. A. Rogerson, Credit Bureau of Clarksburg, Clarksburg, West Virginia; Charles D. Seaman, Credit Bureau of Salem, Salem, Massachusetts; Hugo Seelbinder, Credit Bureau of Fort Smith, Fort Smith, Arkansas; Jo Tarpey, Credit Bureau of Greater Gary, Gary, Indiana; G. Wintrop Wells, Credit Bureau of Rockland County, Nyack, New York; Clarence E. Wolfinger, Retired, Philadelphia, Pennsylvania; and (Guests) David K. Blair, President, N.R.C.A., San Francisco, California; William H. Blake, Executive Vice President, N.R.C.A., St. Louis, Missouri and John Byng, Retired, Chicago, Illinois.

After the breakfast, several members of the Club reminisced about experiences and friends of years ago. L. S. Crowder, former General Manager-Treasurer of the National Retail Credit Association, and Clarence E. Wolfinger, former Manager of Credit Sales, Lit Brothers, Philadelphia, Pennsylvania, now retired, shared the honors of presiding and presenting the members to the group.

New officers of the Club for the year 1960-61 are: Harvey King, Nashville, Tennessee, president, and Miss Caroline Condon, Bremerton, Washington, secretary. A new feature of the Club was the election of several honorary presidents, Frank Batty, Orinda, California; L. S. Crowder, Vero Beach, Florida; N. M. MacLeod, Spokane, Washington; Erwin Kant, Milwaukee, Wisconsin, and Giles C. Driver, Cleveland, Ohio.

There are now 439 members of the Quarter Century Club and 193 Honorary Life Members. In answer to many inquiries, the requirements for eligibility in the Club are: The Quarter Century Club of the National Retail Credit Association is composed of persons who have represented firms or credit bureaus holding membership in the National Retail Credit Association for 25 years or more. They may have been employed by one or more firms or credit bureaus during that time. The membership records at the National Office must show the individual as a representative of the firm or firms. The same rule applies to individual memberships, including those self-employed.

All those eligible are cordially invited to attend the next Annual Breakfast of the Club at the 47th Annual International Consumer Credit Conference at Miami Beach, Florida in June, 1961. This organization meets only once a year for fun and fellowship. There are no dues and no constitution and bylaws. It is just a group of oldtimers who are joined together by virtue of their long association in the consumer credit profession and the National Retail Credit Association.—Caroline Condon, Secretary, Credit Bureau of Kitsap County, Bremerton, Washington.

Sunrise Sessions

THE SUNRISE sessions of the Annual International Consumer Credit Conference held in Chicago, Illinois, June 5-9, 1960, were divided into four groups. Group One covered "Community Services," conducted by Charles Dudley, Charlotte, North Carolina; Group Two, "Collections," Bruce K. Ward, Casper, Wyoming; Group Three, "Credit Sales Promotions," E. L. Goodman, Birmingham, Alabama; and Group Four, "How Job Satisfaction Can Best Be Realized," by Mrs. Marie M. Gower, San Francisco, California. All groups held their sessions at 7:30 A.M., Monday, June 6, 1960. Coffee and rolls were served and all groups were well attended. On the following pages will be found the reports of the four chairmen.



"Community Services"

CHARLES DUDLEY

*Credit Bureau of Charlotte
Charlotte, North Carolina*

This group concerned itself with discussion of the role the Manager of Credit Sales should play in the community.

It was surprising to discover how very active in their communities many managers of credit sales really are. The range of participation in community events is really impressive as brought out in the vigorous discussion. Few, if any, major community activities were lacking in representation from the consumer credit field. All at the session agreed that becoming active in worthwhile community projects is an excellent way of improving the public's image of the retail credit executive. I found a real eagerness on the part of those at the session to participate even more actively in those forward-looking programs which add to the general well-being of the community.

It is my hope that this particular session will be repeated next year, because we hardly had time to get started on our discussion before the bell rang! I feel that this is one very important area in which new ideas are vital.

"Collections"

BRUCE K. WARD

*Credit Bureau of Casper
Casper, Wyoming*



The sunrise session assigned to Session Number Two in Chicago covered the field of "Collections." One of the surprising things about this session was the large attendance. Apparently everyone has a problem with collections, whether they come from a large business or small one, or a large community or small, and this was shown by the large number who attended and the interest shown in this subject.

One of the interesting things about the session was the different slant given on collections by the stores and by the professional collectors from credit bureaus and collection agencies who attended. While both of these groups are interested in collecting the money and returning the customer to an "open-to-buy" status, there was quite a difference in the methods used by the two groups. Many people expressed the belief that the merchant or professional man could not afford to put too much of his time into past-due accounts, was better off to turn them over to a professional collector. The merchant or professional man was then free to devote his full time to what he should be doing, namely selling or serving, and not chasing after dollars which were already pretty much lost.

Some time was spent on the idea of charging a service charge to customers who are slow or past-due on their accounts. With the advent of the new option account, service charges are automatically charged on those accounts which are not paid within 30 days. However, on

those stores which are not using optional accounts a service charge is charged on accounts over 30 days past due, partly as an offset to the expense of carrying these accounts, and partly as an encouragement to customers to pay their accounts promptly. This idea seems to be gaining favor over the country.

One question was asked, "When should an account be turned over to a collector for collection?" The general feeling was it should be turned as soon as it becomes unprofitable, or generally when the store no longer gets any response to its statement or collection effort.

This session closed with much yet to be said and it is hoped that this subject is discussed again next year.

"Credit Sales Promotion"

E. L. GOODMAN

*Burger-Phillips Company
Birmingham, Alabama*



The "Early Bird" gets the worm—but then who wants a worm, unless he is going fishing! This is exactly what we tried to do at the early morning coffee "Credit Sales Promotion" Session. All of us were fishing for something new or a "dressed up" old plan to assist in reactivating inactive accounts, soliciting new accounts, selling more to your regular customers and many other facets of credit sales promotion. Your chairman was of the opinion this should be almost entirely an audience participation type of program. So we went "Brainstorming" for credit sales promotion ideas. Each person introduced himself and told about successful plans being used.

Here are a few of the plans discussed:

1. Letter of thanks to customer for substantial payment.
2. Send gold Charge-Plate to customers making annual purchases far above average.
3. One store does not send merchandise C.O.D. out of town. They open a charge account instead.
4. Ask customers for name of friends that may be interested in charge account. If account is opened they credit customers account with \$1.00.
5. Some stores have banquet in their store for new accounts.
6. Store in Canada offers useful gift to newcomers. Customers taken on tour of store by an official.
7. Store in Canada mails receipt for small down payment to prompt paid Club Accounts to apply on new purchase.
8. Personalized letter of thanks to prompt pay customers. Well planned letter promotion and use of telephone to reactivate inactive accounts.
9. Teen-age promotion.
10. Send \$50.00 gift certificate to your customers celebrating Golden Wedding Anniversary.
11. Branch Store Credit Sales Promotion.
12. Amount of budget and who makes the decision.

In 90 minutes it is impossible to adequately cover the important subject of credit sales promotion. Approximately 60 credit sales managers attended this session. Their enthusiastic response and the exchange of ideas should be of some benefit to everyone who attended. Credit sales managers cannot do business without the backing of the

entire store. This requires proper merchandise, cheerful service, and complete stocks and price. Credit sales promotion is not a matter of just adding new accounts. It includes floor release limits for faster service; prompt and accurate billing; "Thank you" letters to prompt pay; cheerful and prompt merchandise and bill adjustments; prompt approval of credit applications; courtesy and tact in the collection department—may be difficult, but try to sell while collecting. And finally, as my friend Henry Alexander once said, "Don't just make credit available—make it desirable."

"How Job Satisfaction Can Best Be Realized"

MRS. MARIE M. GOWER
Hastings
San Francisco, California



Representatives from banks, credit bureaus, department stores, specialty houses, furniture stores, hardwood stores, laundry and dry cleaning establishments, dental offices, professional account services, oil companies, educators, fuel companies, and, yes, even home makers (wives of delegates), were Up Early to discuss "How Job Satisfaction Can Best Be Realized," the commonly referred to . . . paramount ambition of the individual.

As the subject became amplified, the response of the audience was spontaneous and immediate. All, in attendance, had experienced some degree of personnel anxiety and were frankly exchanging ideas, techniques, and methods pursued, to reduce employee turnover and at the same time create a more harmonious, effective, and profitable organization.

The discussion revealed that while the state of being, known as "Satisfaction," can be a feeling as simple as pleasantness to one individual, to another it might very well be a complex of feeling, emotion, and sensation. The group was very much in agreement that the measure of job satisfaction realized by an individual is governed by the extent to which his personal qualities, known to be necessary to success, have been developed, namely, loyalty, initiative, enthusiasm, imagination, flexibility, Faith in God, etc.

Further discussion caused the audience to acknowledge that true job satisfaction is, in reality the *anticipation* of job satisfaction. Each goal accomplished must necessarily serve as a stimulant to our enthusiasm and ambition, or, in truth, dissatisfaction would be the end result.

The hour designated for this discussion group appeared to be all too short, because as time was called, the delegates were enthusiastically commenting on the personal qualities they believed to be most necessary to individual success. Many different view points were expressed, but the sum total of all thinking proved constructive and applicable.

The discussion leader left this "recipe" with the group: "Take one part of 'What makes the worker like to work' and fold gently into, An equal part of the 'Worker assuming his proportionate responsibility toward his firm.' Bake in a moderate oven the working days of each year, Adding daily a warm sauce of understanding, spiced with the zest of living. Garnish with your personal faith in God, acknowledging that your abilities are God-given talents, And you will create a nutrient delicacy you can be proud of . . . one that enables you to go home at night with a smile on your face, and with your head held high in full confidence that the American, democratic, free enterprise system is the only way of life, where the possibility of true job satisfaction can be realistically anticipated."

Earle A. Nirmaier Installed N.R.C.A.'s 46th President



IN THE center picture above, Earle A. Nirmaier, W. Wilderotter and Company, Newark, New Jersey, is making his acceptance speech after being installed as the 46th President of the National Retail Credit Association at the Annual International Consumer Credit Conference held in Chicago, Illinois, June 5-9, 1960. In the picture on the left, are, left to right, Dewey D. Godfrey, Third Vice President, Bank of Charlotte, North Carolina; Fred R. Hachtel, Second Vice President, Gimbel Brothers, Milwaukee, Wisconsin; President Nirmaier; and Leonard A.

Brumbaugh, First Vice President, Valley National Bank, Phoenix, Arizona. The picture on the right shows Leonard M. Brumbaugh; Dan D. Boydston, Director at Large, Valley Gold Dairies, Albuquerque, New Mexico; R. A. Jackson, Director, Volk Brothers Company, Dallas, Texas; Mrs. Jo Hubbard, Director at Large, Sterchi Brothers Stores, Chattanooga, Tennessee; M. J. Kearney, Goldstein-Migel Company, Waco, Texas; Edward M. Gallagher, Director at Large, Lit Brothers, New Jersey; and President Nirmaier.



People and Events

National Retail Credit Week in 1961

This is the first announcement of National Retail Credit Week for 1961, April 23rd through April 29th. We were delighted at the increased number of communities which participated in the National Retail Credit Week for 1960. Not only did more communities participate but they held more detailed and meaningful programs. This event is becoming more important to retail business each year. With consumer credit so essential to our American way of life, it is necessary that people develop a better understanding of what consumer credit is and how it operates. National Retail Credit Week gives every community, large or small, a wonderful opportunity to promote credit sales and at the same time educate credit customers on the sound advantages of paying all obligations as agreed.

Credit leaders in every community are urged to begin now to make plans for next April. Your National Office will again make available kits of valuable material to assist local associations. A national advertising and public relations program will support local programs.

It will help us greatly in planning if you will send us a brief note now indicating your desire to participate.

Sterling S. Speake Credit Schools

Credit schools will be conducted by Mr. Speake in the following cities during the month of October:

Brunswick, Maine	Nashua, New Hampshire
Rockland, Maine	Newark, New Jersey
Bangor, Maine	Johnstown, Pennsylvania
Rumford, Maine	McKeesport, Pennsylvania

If your city is interested in having Mr. Speake conduct a professional streamlined credit school in your city, please write for details and opening dates.

Appalachian Credit Conference

The Fifth Annual Appalachian Credit Conference will be held October 26, 1960, at the General Shelby Hotel, Bristol, Virginia-Tennessee. William H. Blake, Executive Vice President, National Retail Credit Association, will be the keynote speaker.

—Positions Wanted—

YOUNG MAN, 25, two years' experience as assistant manager of large finance company, three years' experience as credit manager of large savings and loan association, B.S. degree in business management, draft exempt, married, will relocate for greater opportunity. Resume on request. Box 9601, The CREDIT WORLD, 375 Jackson Avenue, St. Louis 30, Missouri.

CREDIT MANAGER. Four years' experience in all lines of credit and sales finance. Experienced in supervising personnel as well as credit development. Will relocate. Job must offer potential advancement. Married, age 25. Box 9602, The CREDIT WORLD, 375 Jackson Avenue, St. Louis 30, Missouri.

NRCA's New Hospital-Medical Division

Because of the specialized nature of the credit and collection problems of our many members in the hospital, clinic, medical and dental offices and others in the health professions, the National Retail Credit Association has organized a new division to be devoted to those special problems.

Chairman of this division will be Stephen F. O'Connor, St. Mary's Hospital, East St. Louis, Illinois. Named to serve with him as an Advisory Committee are several leaders in the field. Staff member Leonard Berry has been assigned to work with this new division in addition to his present duties.

All present members of the NRCA who are engaged in credit or collection work in any of the health professions are automatically members of this new division. A drive for new members will shortly be announced by Chairman O'Connor. Ideas, suggestions and offers of cooperation for this new division of NRCA are invited.

New Public Relations Idea in Richmond

Public relations in any organization is a many splended thing, however, we too often fail to recognize opportunities which will add new awareness to local associations and enhance their stature within the community. George C. Robinson, Executive Secretary, Credit Bureau of Richmond, Richmond, Virginia, conceived a new idea out of an old one. The Credit Bureau has been working with its membership for 54 years and has employed every public relations conceivable which would add additional recognition and importance to the organization and tell once more the Credit Bureau story.

Working with Thalheimer Brothers, one of the city's largest, most modern and aggressive department stores, and in conjunction with the Chesapeake & Potomac Telephone Company, the Credit Bureau of Richmond developed an animated window with attractive models during peak shopping hours, which tells the Credit Bureau story with both action and sound. The use of window displays is not unusual, however, the display window is unique in that an electronic resistance panel is secured to the glass and by snapping one's finger a tape recorded message is broadcast to passers-by along the main thoroughfare. It was estimated that 10,000 people viewed the window daily.

The window has been designed with modular sections which will easily dismantle and can be reassembled for future use. The window is versatile in that the tape, which runs for three minutes and forty seconds, can be modified or edited on a moment's notice to capitalize on any immediate opportunity which might arise.

The expense in time, production and preparation has more than paid off for the Richmond Bureau.

—Help Wanted—

Retired Credit Sales Managers and Credit Bureau Managers to work part time on commission basis, to assist NRCA's "Project Push" membership chairmen, doing membership solicitation and organizing local units in areas not now served. If interested write Miss Mary Riordan, NRCA, 375 Jackson Avenue, St. Louis 30, Missouri.

"Public Relations"

(Beginning on page 10)

hospital accounts either (and preferably) at time of admission or at time of discharge.

9. Secure patient's signature or note or other acknowledgment of indebtedness.

10. When necessary, visit patient while in hospital regarding financial arrangement. This should only be done when it is impossible to secure data at time of admission and when patient's condition would warrant such an interview. It is always advisable to get credit information from the nearest relative.

11. Use telephone to collect accounts.

12. Maintenance of reference file to be used in admitting office listing names of all prior uncollectible accounts.

Much of what has been said in the paper comes directly from chapters two and three of NRCA's Hospital Manual and the material was used with the permission of the publishers.

Shown on page 10 are two different types of pre-admission forms. Of course, the information required by different hospitals may vary, but the unnecessary items can easily be deleted and others inserted.

Now let us look at the form marked Exhibit A which was also passed around. This clearly shows the patient as the most important person in the hospital. The admitting office is his immediate first contact. Then comes the Patient's Relations Officer and then the Cashier. In some instances the patient goes from the admitting office to the cashier's window and does not come in contact with the Patient's Relations Officer. All the departments revolve around the patient. When the patient checks out at the cashier's window and the hospital closes behind him he carries with him into the community a good or a bad opinion of the hospital. We should do everything in our power to insure that this opinion is good.

Partners in Progress

Q. Who are Partners in Progress?

- A. 1. Credit Granters
2. Credit Associations
3. Credit Bureaus

Q. How can we be successful Partners in Progress?

- A. 1. Establish a sound credit policy
2. Train an efficient personnel
3. Use modern methods and equipment
4. Use the services offered by your Credit Bureau

Convert Receivables Into Cash

WE WILL PURCHASE your present accounts and service your entire credit operation in your store. We use our personnel and equipment; the records, statements and notices in your store's name. Low rates. Revolving and 30-day accounts. Presently operating in 30 states. Equitable Finance Company, 325 1/2 N.W. Second Street, Oklahoma City, Oklahoma.

47th ICCC Meet to Feature Credit Sales and Collections

THE 47TH ANNUAL International Consumer Credit Conference will be held at the Americana Hotel, Miami Beach, Florida, June 3-7, 1961, and will feature modern credit sales promotion techniques, effective collection procedures and building better public relations.

Jointly sponsored by the National Retail Credit Association and the Credit Women's Breakfast Clubs of North America, the five-day conference will be packed with informative and stimulating programs of vital interest to the credit profession.

An eventful conference is planned for both NRCA and CWBCofNA. The Breakfast Clubbers will hold their business meeting and Mixer on Saturday. Their annual Breakfast on Sunday morning will be the start of a second busy day, which will include a business meeting, the Career Club luncheon, and conclude with a Miami Association "Dutch Treat" beach party.

NRCA will open its part of the jointly sponsored conference on Monday morning, June 5, with a "VIP Session" followed by the Annual Business Meeting. Monday afternoon will feature several small group meetings, clinics and seminars dealing with specific industry problems. They are "How to" type of sessions. Monday evening will be occupied with an NRCA "Get Acquainted" mixer and the CWBCofNA officer installation and Awards Dinner.

All day Tuesday, June 6, is devoted to joint NRCA-CWBCofNA group meetings. These popular sessions will be programmed by association leaders and deal with problems and opportunities in the area of department and apparel stores, consumer and sales finance companies, installment banking, furniture stores, home service industry, credit card users, credit unions, newspapers, public utilities, dairy industry, and others.

On Wednesday, the morning session will be devoted to finding ways of reducing costs in the credit sales department. The afternoon program will deal with credit bureau usage and better collection practices.

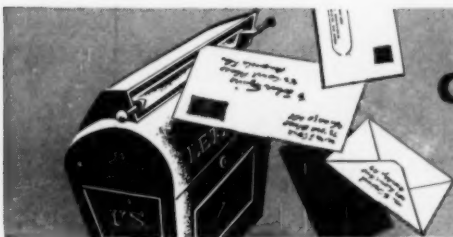
The Annual Banquet on Wednesday concludes the conference. This outstanding affair will be programmed in detail and publicized to the membership of NRCA in later issues of *The CREDIT WORLD* and the CWBC "International."

The Credit Bureau and Collection Department managers and supervisors who are members of the National Retail Credit Association are invited to attend these educational sessions of the nation's leading credit granters.

The Associated Credit Bureaus of America will begin their annual conference on Thursday, June 8, 1961, at the same hotel. The program of their sessions will appear in *ACBoFA's MANAGEMENT MONTHLY*.

Help Wanted

CREDIT MANAGER. Degree or equivalent experience required. Accounting and/or legal background desirable but not necessary. Age 34-40. Experience must include at least four years of general credit work, preferably with a company having nationwide distribution with the medical profession. Salary range, \$10-13,000. Box 9603, *The CREDIT WORLD*, 375 Jackson Avenue, St. Louis 30, Mo.



CREDIT DEPARTMENT *Communications*

LEONARD BERRY

CREDIT COUNSELING is an intensely *personal* matter. Credit counselors enjoy what we might call "privileged relations" with their customers. Because of the close investigation necessary to establish credit responsibility, credit counselors are allowed to probe deeply into such personal matters as pay habits, income, financial resources, debt loads assumed, character and integrity, and the like. In some cases, credit counselors must possess what we might call "guilty knowledge" about customers. People are seldom proud of poor credit records, and often feel a sense of guilt or insufficiency about unpaid bills or protracted delay in meeting just debts. Credit counselors share with them the *knowledge* of these matters.

It is this *privileged relations* aspect of credit counseling which raises the work above the level of a mere job. Indeed, credit counseling takes on some of the aspects of professionalism. Thus, the professional credit counselor stands in the same relationship to his customer as does the doctor to his patient, and the lawyer to his client. All are allowed a degree of *invasion of privacy* which would be indignantly denied to others not deemed eligible for such invasion.

The public generally accords to the professional man or woman considerable respect, prestige and status. In return for this the public requires of the professional a high degree of reliability and confidence. The professional must be worthy of the immense trust reposed in him. This is why we insist on the loftiest of ethics in the legal, medical and religious professions, and this is why we in consumer credit counseling work must similarly maintain high standards of ethical behavior, reliability, and safeguarding of confidence.

It is only occasionally that we encounter instances of credit counselors violating the confidence reposed in them by repeating details of a customer's financial responsibility (or lack of it) or disclosing poor pay habits and the like to unauthorized persons. And, when this is done, we often find that it was not done with deliberate intent but rather thoughtlessly and carelessly.

Nonetheless, as credit management assumes the stature of a profession, and credit counseling takes on more humanitarian aspects, we must be constantly on our guard against even an unwitting and unintentional violation of trust. We must all pledge our constant vigilance against all lapses of confidence.

Credit counselors have a special role to perform in creating better public relations for their firms or offices. While salespeople sell *products*, credit personnel must sell *service*. This is far more difficult, because service is intangible while *goods* are tangible. Often credit personnel must accept criticism, and even abuse, because of the imagined or real shortcomings of sales personnel or merchandise. Credit personnel are in a unique position to act as peace-makers. By gentleness of disposition and unusual patience, as well as deep understanding of human nature, disgruntled customers can often be transformed into ardent and

loyal boosters of the store.

Credit personnel should be thoroughly familiar with the firm's overall policies, indeed, they should be allowed a part in shaping such policies. In their important contacts with customers they are then in a better position to interpret those policies and thus create better understanding and customer acceptance.

The role of credit counselor is indeed comparable with the roles of other servants of humanity. We must develop *conscience* about encouraging those customers who have little resistance to sales pressure from the danger of over-buying and stretching their credit beyond safe strain. Of course, at the same time we must assist overly prudent people to use their credit more generously and to trade-up their living standards. We must create such a favorable public image of our credit office personnel that customers will come in freely and gladly for guidance and counsel. In giving that guidance and counsel we must keep the customer's interests in mind, as well as the interests of the firm. When we accomplish that we will be *truly professional* and worthy of that description.

This Month's Illustrations



Illustration No. 1. Here we show an imaginative sales promotion piece created by a finance company. Note the lilt and excitement in the letter copy. Note how easy the company makes borrowing. Note how the offer is tied to a specific probable need. Expert business communications consist of doing the reader's thinking for him and of anticipating possible needs.

Illustration No. 2. This is the very attractive fold-over mailing piece used by the St. Louis store of Stix, Baer and Fuller to tell an inactive account customer that resumption of use of the account was noted and appreciated. This is an important follow-up to successful appeals to resume use of the account. It provides the extra touch which *personalizes* a big store.

Illustration No. 3. Ernest W. Reames, Manager of Credit Sales, Hogg Bros., Salem, Oregon reports that this letter produced excellent results. Fourteen per cent of the total past-due balance owing was paid within 30 days. Forty-five per cent of all those receiving the letter responded with complete payment, substantial partial payments or specific promises to pay very soon. *National Retail Credit Week*, held each year in April, offers tremendous possibilities for collection appeal tie-in and also credit sales promotion. Mr. Reames credits *National Retail Credit Week* with the success of this particular letter.

Illustration No. 4. Otis G. Lyon, Credit Manager, Orange State Motor Company, Tampa, Florida sends us this collection letter with the comment "This letter is mailed to good accounts who sometimes overlook payment and is sent after two simple reminder forms have been used. Each letter is individually typed. We have received better than 85 per cent response, which we consider excellent."

No. 1295

AMERICAN FINANCE CORPORATION

Business Bk. Bldg.
615 Center of Research and Invent.
1025 LOCUST STREET
Chester 1-8170

Westport Office
General Office
7343^{1/2} MANCHESTER AVENUE
Midway 7-3282

Waltham Office
10 Drive West of National Bank Building
6315 EASTON AVENUE
Weymouth 3-3784

May I offer you...

...and your family "box seats" at the most fun-filled summer you've ever had? An offer that can mean an add to summer money problems!

Whether it's a big power mower, a week-end trip, some bright new clothes or fins for Freddy, your family can enjoy the things they need and want. Money to rearrange your budget, to pay installment contracts or for any other good reason can be yours with the enclosed Special Vacation Certificate exclusively registered in your name. Here's how it works:

On the Certificate Stub is a chart of various expenses. A typical plan is shown to help figure your needs in the column provided. Total the amount you need and bring in your Certificate for on-the-spot service!

If it's more convenient, mail your Certificate. First fill in the Mail Service Form on the back; then enclose in the postage-free envelope provided. We will notify you when to come in, complete arrangements and pick up your money.

But don't delay...even now, exciting summer things are happening. It's fun-time once again...time to rid yourself of money problems! Mail or bring in your VACATION CERTIFICATE immediately!

CERTIFICATE
#1295
ENCLOSED

Yours for a happier summer.

D. A. Penney
Treasurer

AMERICAN FINANCE CORPORATION

1025 Locust Street
7342^{1/2} Manchester Avenue
6215 Easton Avenue

Chestnut 18170
Midway 7-2252
Evergreen 3-5784

ST. LOUIS, MISSOURI

One (1) Cash Loan
may do all this

	* FISCAL YEAR	FILL IN YOUR NEEDS
VACATION	554.00	
CURRENT BILLS	453.00	
HOUSE & CAR REPAIRS	344.00	
HOSPITAL CASH	235.00	
OTHER	108.00	
TOTAL	1694.00	

Add up your
current
needs here!

IMMEDIATE ACTION: FILL IN INFORMATION ON BACK OF VOUCHER AND MAIL. DETACH THIS STUB AS YOUR RECORD.

No. 1295

Special Vacation Certificate

You may get up to: **\$1500 & 00 CTS.** /1500.00

SUBJECT ONLY TO OUR INTERNAL CREDIT REQUIREMENTS



PERSON NAMED HEREON IS ENTITLED
TO APPLY FOR AN IMMEDIATE CASH LOAN
THE AMOUNT STATED ABOVE

OTHER MAILED
OTHER BROUGHT TO OFFICE

TO: Mr. Leonard Berry
8054 Dartmouth Ave.
University City 80, Mo.

DO NOT FOLD - FILL OUT BACK AND MAIL

BY *D. A. Penney*
TREASURER

Take our word for it...
it's good to welcome you back!



We're in a real old-time family reunion mood! We recently learned that you have once more put your time-saving SBF Charge Account to work...the best news we've had in, lo. these many months of missing you. We hope you still find it a quick and effortless shortcut to pleasant year-round shopping. Once again may we say: welcome back to SBF's favorite family of active charge customers.

Stee. Bar & Fuller

BIDDY HODG

D. TOM HODG

PHONE
Salem Ex 3-148

HOGGBROS
Williams Valley's Leading Appliances & Home Furnishers
SALEM - OREGON CITY
240 STATE 224 MAIN

PHONE
OREGON CITY 4211
PORTLAND OL 4-1327

Mr. John C. Customer
Main Street
Your Town, Your State

Dear Mr. Customer:

NATIONAL RETAIL CREDIT WEEK
April 26-30, 1960

The purpose of this week, National Retail Credit Week, is three-fold.

1. It encourages the broadest use of consumer credit consistent with sound business principles.
2. It educates the public in the proper use of consumer credit as a relation of mutual trust.
3. It is to encourage the prompt payment of all obligations.

Most localities throughout the United States, Canada, and some foreign countries are observing this week. In Salem we are also observing National Retail Credit Week by writing to some of our customers about their accounts.

We would like to put your account in an "open to buy" condition at Hogg Brothers.

The amount in arrears is \$70.36.

Sincerely,
Ernest W. Keames
Ernest W. Keames
MANAGER OF CREDIT SALES

RECORDED * MAILING * INFORMATION * EAST * COMPLETE HOME FURNISHINGS

PAUL GOODMAN, JR., PRES.

ORANGE STATE MOTOR COMPANY

(INCORPORATED)
International Motor Trucks • Power Units • McCormick Tractors
Farm and Grave Machinery

CORNER MADISON & BRYANT STS. TELEPHONE 2-9271
P. O. BOX 422
TAMPA 1, FLORIDA

Mr. John Doe,
Main Street,
Tampa, Fla.

Dear Mr. Doe:-

Having received no response to our previous notices, we are sending this additional reminder that your last month's charges in the amount of \$75.00 remain unpaid.

We would also like to take this opportunity to restate our credit terms which are:-

"Accounts are due and payable the 10th of the month following date of purchase. All accounts not paid in full by the 25th of the month become C.O.D."

Your valuable business is appreciated and we want to be able to extend the convenience of continued open account privileges.

Your cooperation in payment at this time will enable your account to remain open for further charges.

Yours very truly,

ORANGE STATE MOTOR COMPANY, INC.,

Otis C. Lyon
Otis C. Lyon,
Credit Manager

AMERICAN TRUCKS
INTERNATIONAL TRUCKS
MACK TRUCKS
WHITE TRUCKS



AMERICAN TRACTORS
INTERNATIONAL TRACTORS
MACK TRACTORS
WHITE TRACTORS

From the NATION'S CAPITAL

JOHN F. CLAGETT, Counsel

NATIONAL RETAIL CREDIT ASSOCIATION, WASHINGTON, D. C.



Some Legislative Problems Confronting The U. S. Consumers' Economy

In a statement on the Senate floor, on June 13, 1960, Senator Javits (R. N. Y.) stated: "The role of the consumer in our domestic economy is its most appropriate hallmark. Ours is truly a consumers' economy. In many respects, conscious choice determines economic trends and the state of our economy, and the safeguarding of the interest of the consumer therefore is properly an object of policy." He further said that the importance of the U. S. consumers' ability to influence the Nation's economy may be seen in the fact that two-thirds of our gross national product is used to supply the goods and services required to meet the consumer's needs.

What is the trend or shape of proposed legislation designed to influence national policy in this field? First we may note that Senator Javits (with seven co-sponsors—all Republicans) introduced S. Res. 109 on April 27, 1959, to establish a Select Committee on Consumers. Such committee should, first, conduct a continuing study and investigation with respect to "the nature and extent of economic problems of consumers;" second, act in a "watchdog" capacity to determine whether authority heretofore conferred by law on executive agencies and departments "provides effective means for the solution of consumers' problems;" and, third, ascertain whether additional legislation is needed for the solution of such problems.

A somewhat similar proposal had been made in the House by Congressman Addonizio (D. N. J.) in H. Con. Res. 13 calling for a temporary House-Senate joint committee.

There has been no action on either of these measures. However, an entirely different and far more sweeping type of bill, S. 1517, introduced on March 26, 1959 by Senator Kefauver (with 23 co-sponsors, all but two of them Democrats), has fared much better and two days of hearings were held June 23 and 24, 1960.

The Kefauver bill would establish a Department of Consumers headed by a Secretary of Cabinet rank. To briefly summarize some of the more important of its 20 pages of complicated provisions: It provides that the Department shall present the viewpoint of consumers in the formation of government policy, and that it shall intervene in and represent the "economic interests" of consumers in proceedings before the courts and regulatory agencies of the U. S.; it sets up a procedure for receiving and handling complaints; in this regard Section 7 (a) provides that, "It shall be the duty of the Department to receive from consumers of the United States, and to evaluate, complaints concerning commercial and trade practices employed in the production, distribution, and furnishing of goods and services to or for the use of such consumers which may be detrimental to their economic interests."

It provides for what appears to be a supervising role of such new Department over other agencies and Depart-

ments of the government by providing in Section 7 (c): "Whenever the Department receives from any source any information disclosing a *probable* violation of (1) *any* law of the United States, (2) *any* rule, regulation, or order of any administration officer or regulatory agency of the United States, or (3) any judgment, decree, or order of any court of the United States, relating to the *trade or commerce* of the United States, the Department shall transmit promptly, to the officer or agency charged with the duty of enforcing such law, rule, regulation, order, judgment, or decree, *for appropriate action*, such evidence and information as the Department may have concerning such probable violation. It shall be the continuing duty of the Department to ascertain the nature and extent of action taken with regard to probable violations so reported."

The bill goes on to provide for the transfer of various functions from other agencies and departments to the proposed Department, including the Food and Drug Administration from HEW; the Division of Prices and Cost of Living from the Labor Department; the Home Economics Research Branch of the Department of Agriculture; and elements of the National Bureau of Standards which the Director of the Bureau of the Budget shall determine deal with research or the testing of articles intended for use by consumers.

Section 9 covers "Economic Surveys and Investigations," wherein in sweeping terms it shall be the duty of the Department to conduct investigations with respect to:

"(A) the productive capacity for, and the production of, goods *affecting* consumers within the United States;

"(B) the systems and mechanisms in use for the distribution of such goods, and the effects thereof;

"(C) the levels of prices for goods and services *affecting* consumers, the factors entering into their establishment, and their *reasonableness*;

"(D) the *quality and suitability* of goods affecting consumers, and the *factors influencing* the quality and *suitability* of such goods; and

"(E) the *degree* to which the trade and commerce of the United States succeeds in *satisfying* consumer needs for goods and services."

As evidenced by their letters and reports included in the hearing record, the bill ran into almost solid disapproval from the various Federal departments and agencies. Perhaps a portion of the letter from the Chairman of the Board of Governors of the Federal Reserve System expresses the gist of a majority of such agency and department statements when it states:

While the Board is sympathetic with efforts to protect the economic interests of consumers, it questions whether the proposed separate executive department of Government would be desirable or effective for this purpose. Existing public agencies should be guided in their decisions by due consideration of consumers as well as other interests, all included under the general welfare. *To the extent that any serious problems may exist in the consumer field, the Board believes that it would be preferable to consider legislation addressed directly to these specific*

(Turn to "Nation's Capital," page 22)

STATE LEGISLATION

New York: A program to aid one another in prosecuting businessmen engaged in fraudulent consumer operations carried on across state lines was set up by New York State Attorney General Louis J. Lefkowitz and New Jersey State Attorney General David D. Furman. The latter recently received new powers to proceed against consumer frauds. The Attorneys General of the two states arranged for a full exchange of information on enforcement and administration of consumer protection laws. Concerning matters affecting consumers in both states, they will make joint investigations.

Virginia: The new blue law was shelved in the northern part of the state when chief legal officers in Arlington, Alexandria and Fairfax County indicated they would not prosecute any case under the law until it is tested in the State Supreme Court. Their action came after Hampton Circuit Court Judge Frank A. Kearney ruled the new law invalid on a technical legal point. The Court asserted that the state legislature accidentally repealed the new blue law when it was remodeling a section of the state code. Under the Court's ruling, Hampton will return to the old controversial blue law.

Connecticut: In an enforcement action under Connecticut's unfair sales practices law, prohibiting sales below cost plus a six per cent markup, Mott's Supermarket of Hartford was enjoined by Common Pleas Court Judge Aaron Palmer under \$1,000.00 penalty for violating the Act. Joseph P. Mott had appealed to the court when the state Department of Consumer Protection ruled that it had violated the law. Mott appealed on two grounds, saying his low prices were calculated to create customer good will and not to destroy competition, and that the unfair sales practices law was unconstitutional. The court ruled that the law is "legislation within the scope of the police power" of the state. The court upheld the state agency's finding that Mott's had sold two items below invoice cost. However, it set aside the department's order to Mott to cease and desist from advertising "loss leaders" as a method of competition, indicating that alleged violations of the Unfair Sales Practices Act must be dealt with as they occur.

Texas: Because the Texas legislature excluded group life insurance from regulation under the state Credit Insurance Law, lenders with insurance affiliates can charge whatever they wish for group life coverage, which they can require when making a loan. These policies have a limit of \$1,000 coverage. Penn J. Jackson, Chairman of the State Board of Insurance, declared that "Our general information is that a good deal of credit insurance is being shifted into group life."

The Texas electorate will vote in November on a proposed state constitutional amendment to permit the state legislature to set special maximum interest rates on small loans and to license and regulate the small loan field.

North Dakota: Provisions of a new North Dakota small loan regulatory law, enacted by the 1959 state legislature and recently approved by the electorate at a statewide

referendum, include a section on insurance. Various types of insurance may be written in connection with loans made by licensees under this Act, provided that they are properly licensed by the State Insurance Commissioner to write such insurance.

South Carolina: A special state legislative committee is being organized in South Carolina to investigate the operation of small loan firms in the state. Three members will be named from the House, three from the Senate and Governor Hollings will appoint three additional members.

California: A major loophole in California's new law governing retail contract sales has been cited by Howard Jewel, Chief, Consumer Frauds Division of the Attorney General's office. The clause referred to permits a retailer to correct a faulty sales contract within ten days after he notices the error or omission or is notified of the error, in writing, by the purchaser. Mr. Jewel says that this allows no distinction between a willful violator and an unintentional one. Willful violators can continue to omit a price and, as long as they write it in within ten days, will not be subject to prosecution.

Ohio: Ohio's fair trade law, permitting manufacturers to set resale prices on their trade-marked products, was ruled unconstitutional by Common Pleas Judge Eugene R. McNeill, sitting in Cleveland on assignment from Van Wert County, in the first full-scale test of the law. The case involved Hudson Distributors, Inc., cut-price retailers of name brand cosmetics and drugs, the Upjohn Company and Eli Lilly & Company. The case is expected to go to the Ohio State Supreme Court.

Michigan: A committee of the Michigan House of Representatives is making a study of the need for new state legislation in the field of consumer credit. Headed by Representative Homer Arnett of Kalamazoo, the committee recently conducted hearings at Western Michigan University to receive testimony from customers and representatives of collection and loan agencies. Besides considering the advisability of new legislation in the credit area, Arnett said the Committee also discussed a proposal to require licensing of collection agencies. Another meeting is scheduled for Detroit in October.

Iowa: An interlocutory appeal was granted by the Iowa State Supreme Court to the State Tax Commission, in a case involving a question of whether trading stamps constitute a discount. The case will probably be heard by the fall tribunal in September. The case involves the Brenner Tea Company of Burlington, which had been deducting the cost of trading stamps from its retail price before figuring state sales tax.

Illinois: State legislative credit reform program was advocated by Otto Kerner, Democratic candidate for governor of Illinois, to curb unscrupulous sellers who exploit credulous buyers.

Kerner said more than 10,000 bankruptcies were filed in Chicago federal courts alone in 1959, a bulk of them by wage earners. "The Legal Aid Society, the Better Busi-

ness Bureau, and the state's attorney's office," he said, "have case after case of victims seeking relief from fraudulent sales and sharp practices. This is one evil that is well within the power of the state of Illinois to stop."

He called for: Elimination of the confession of judgment clause in wage earner situations; tightening of restrictions on garnishment and wage assignment; provision that a buyer's defense in court, such as for faulty goods, is not destroyed by sale of the notes arising out of his transaction; imposition of a ceiling on rates of instalment credit charges; and use of a public agency to strengthen enforcement of credit laws already on the books for protection of the creditor and wage earner.

"Practical effect of a confession of judgment clause," Kerner said, "is that the wage earner usually has no knowledge that a claim is being made against him until he finds his wages tied up by garnishment. Removal of this clause and better restrictions on garnishment and wage assignment," he said, "would be an aid to business."

"Reputable business," he asserted, "has no need of these drastic remedies. Their abuse by fly-by-nights and gyp joints places an undeserved stigma on business as a whole."

"The most incredible fault in existing Illinois law," he said, "is that there is no limitation on the amount or rate of charges that unscrupulous merchants may make for instalment credit."

Massachusetts: A bill to establish a consumers' council was rejected by Massachusetts Senate. Governor Furcolo has repeatedly called for enactment of the proposal in his annual messages.

Maryland: Maryland's so-called blue laws were opposed by spokesmen for three Jewish organizations at a hearing conducted by the State Legislative Council's judiciary committee. They told the committee that the laws in question were unfair, arbitrary and a "threat to religious liberty." Their testimony came on a bill designed to liberalize and clarify the present, long-standing Maryland law on Sunday sales. The measure was introduced in 1959, but action was deferred during both the 1959 and 1960 sessions of the state legislature.

"Nation's Capital"

(Beginning on page 20) problems rather than to the creation of a new department whose statutory responsibilities might be difficult to define." (italics supplied)

Along similar lines the Bureau of the Budget reported: "In the final analysis, the interests of American consumers can only be protected adequately by utilizing all available Federal resources to curb inflationary pressures, to foster the maintenance of a sound and stable economy and otherwise to protect the national interests."

In this matter of consumer protection both political parties in their platforms have touched upon consumer problems. The Democratic Platform proposes a "consumer counsel" to speak for consumers in the formulation of governmental policy, and to represent consumers in administrative proceedings. The Republican Platform pledges protection of the consumer from fraudulent practices in the market place.

The New York State Attorney General, though stating his approval of S. 1571, actually seemed to be recommending an entirely different approach, namely, the approach of specific action directed at specific problems. He described the situation as one largely of legal protection of the consumer from fraud and dishonesty. He stated the basis situation this way: "In every line of endeavor, we find an unscrupulous segment which operates in the shadowland of illegality, without consideration of ethics or integrity. They prey not only on the persons with whom they deal, but bring discredit and harm to the legitimate businessman." He stated that since he had become Attorney General he had established in the Department of Law a division of consumer frauds and protection which has been operating in a highly successful manner. "It is," he stated, "only through concerted effort by law-enforcement agencies, community organizations of businessmen and consumers, civic groups and other organizations that we can eliminate to a large degree the deceptive and fraudulent sales practices which are bilking the consumer public and are giving an economic black eye to the legitimate businessman." And this kind of pin-pointed attack, of course, would apply well to such problems in the consumer field as credit card abuses. ★★★

Communications Feedback...

Sir:

Congratulations. I do really like the new CREDIT WORLD. I am sending along a couple of sayings for "Quotable Quotes."

Pauline Riley
The H. & S. Pogue Company
Cincinnati, Ohio

Sir:

I like your NRCA "Newsletter." Congratulations on a good job. Here you have come up with something more intimate. Its contents are very timely and we read it.

Jim Hayes
Credit Bureau of Greater Harrisburg
Harrisburg, Pennsylvania

Sir:

We are pleased to belong to an organization such as yours.

Richard L. Field
Field's Oil Heat Service
Easton, Pennsylvania

Sir:

There are huge losses suffered by department stores through repetitive charging by unscrupulous persons. An intensive consideration of this subject through discussion in The CREDIT WORLD would be invaluable assistance to members.

Charles L. Tumasel
Dumont, New Jersey
Ed: The CREDIT WORLD would welcome

articles on this subject. Just address them to 375 Jackson Avenue, St. Louis 30, Missouri.

Sir:

Many thanks for the 25 copies of The CREDIT WORLD for use in our commercial libraries. We certainly appreciate your wholehearted cooperation with the Trade Missions Program.

E. Paul Hawk, Director
Trade Missions Program
Office of Trade Promotion
U. S. Department of Commerce
Washington, D. C.

Sir:

Ever since I returned from the Conference in June, I have been intending to send in my membership. I have been reading several issues of The CREDIT WORLD that our Manager of the Credit Bureau has received and I enjoy them immensely.

Mrs. Maude Gibson
The Fair Furniture Store
Terre Haute, Indiana



Local Association Activities



Fayetteville, North Carolina

At the organizational meeting of the Fayetteville Credit Association, Fayetteville, North Carolina, the following officers and directors were elected: President, Jack James, *Fayetteville Observer*; First Vice President, Mrs. Louise Mayo, Home Federal Savings and Loan; Second Vice President, Rankin Smith, Royal Jewelers; and Secretary-Treasurer, Larry Clemente, Credit Bureau of Fayetteville. Directors: Roy Warren, Justice of the Peace; Mrs. Aline Carter, Currie Coal Company; Jesse Massingill, General Electric Corporation; Larry Carr, North Carolina Mobile Homes Inc.; E. E. Fisher, Johnson Cotton Company; and Ken Lewis, The Capitol Department Store.

Albany, New York

The new officers of the Retail Credit Association, Albany, New York, are: President, James Dalton, First Trust Company; Vice President, Edward Sullivan, Peerless Company; Treasurer, William Boaden, John D. Wendell Inc.; and Secretary, Annabelle Murphy, C. L. Summer and Company.

Kansas City, Missouri

At the annual meeting of the Retail Credit Association, Kansas City, Missouri, the following officers and directors were elected: President, Anna Mae Larrance, Harzfeld's; First Vice President, K. L. Hooper, McDowell Tire Company; Second Vice President, R. H. Heuser, Duff Repp-Robert Keith; and Secretary-Treasurer, A. L. Dye, The Credit Bureau. Directors: Dale Boley, The Credit Bureau; K. F. Courter, Katz Drug Company; L. A. Cushman, Socony Mobile Oil Company; Cynthia Percival, Greenlease Motor Car Company; and Thelma Whitesell, Peck's.

Pasco, Washington

At the annual meeting of the Tri-City Chapter, NRCA, Pasco, Washington, the following officers and directors were elected for the year 1960-1961: President, Glen Admire, Tri-City Lumber Yards; Vice President, June Wilkins, Carl's Department Store; Secretary, O. Conway Adams, The Credit Bureau; and Treasurer, Harold Smith, United Finance Company. Directors: Nancy Moody, Sherwood & Roberts; Richard Cooley, Seattle First National Bank; Norman Anthony, J. J. Newberry Company; Tammy Wise, Drs. Shepard and Gatton; Lynn Lewis, Pacific Finance Company; Bruce McPherson, Sears, Roebuck & Company; Shirley Allbright, Perry's Furniture; Kenneth Burrill, National Bank of Commerce; James Pratt, National Bank of Commerce; Robert Storms, Seattle First National Bank; and James Brewer, Fidelity Savings and Loan Association.

Morristown, Tennessee

The new officers and directors of the Credit Granters Association of Morristown, Morristown, Tennessee, are: President, Willard K. Johns, Price Motors; Vice President, Bobbie Horner, Proffitt's Department Store; Secretary, Mrs. Sarah Smith, Sterchi Brothers Furniture; Treasurer, Lynn Rouse, Bradley's Farm Store; and Counselor, Juanita

Inman, The Credit Bureau. Directors: Jean Trent, Lynn Sheeley Piano Company; Mrs. Ann Mitchell, Mitchell-Hodge Electric Company; and Mervin Testerman, Arnolds Department Store.

Waco, Texas

At the annual meeting of the Retail Credit Executives of Waco, Waco, Texas, the following officers and directors were elected: President, Lawrence Gifford, W. A. Holt Sporting Goods Company; First Vice President, Mrs. Lucille Nunn, Sugg Paint Company; Second Vice President, Loran Herring, Central Motor Company; Treasurer, Douglas Wood, R. E. Cox Company; Secretary, William A. Matthews, Retail Merchants Association; and Assistant Secretary, Mrs. Juanita Burnham, Retail Merchants Association. Directors: Mrs. Janice Jennings, Connolly Funeral Home; Douglas Newberry, Lone Star Gas Company; Mary Frances Bryan, Montgomery Ward Company; Kenneth Huber, Texas Power & Light Company; and Kirby Stone, B & L Lumber Company.

Rochester, New York

The new officers and directors of the Rochester Retail Credit Association, Rochester, New York, are: President, Arthur B. Desbrow, Security Trust Company; First Vice President, Robert F. Doyle, Hub Oil Company; Second, Vice President, Leonard Cohen, North Side Furniture House; and Secretary-Treasurer, Robert J. Walsh, Credit Bureau of Rochester. Directors: George J. Butts, Lake View Printing Company; William H. Brown, McCurdy and Company; Mary G. Doyle, Rochester General Hospital; Fred W. Ereth, Dime Banking & Loan Association; Katharine F. Kennedy, E. W. Edwards & Son; Louis A. Schifino, Rochester Radio Supply Company; and Charles E. Smith, Rochester Savings Bank.

Lancaster, Pennsylvania

At the annual dinner meeting of the Retail Credit Association of Lancaster, Lancaster, Pennsylvania, the following officers and directors were elected: President, Richard E. Gingrich, Medical Bureau of Lancaster; Vice President, Paul Wertz, Philip Lebzelter and Son Company; Secretary, June L. Shinsky, The Lancaster County National Bank; and Treasurer, Charles Farnan, Hager's Department Store. Directors: Bert Bruckart, Westenerberger, Maley & Myers; George Rife, Credit Bureau of Lancaster County; and Fred Beyer, E & H Loan Company.

St. Petersburg, Florida

The 1960-1961 officers and directors of the Associated Retail Credit Grantors of St. Petersburg, St. Petersburg, Florida, are: President, Mrs. Kay Metz, First National Bank; Vice President, James A. Crawford, Florida National Bank; Secretary, Alec L. Peterson, Credit Bureau of St. Petersburg; and Treasurer, Olive Phillips, Rutland Men's Store. Directors: Inge Mary Wecksell, Lester Brothers Furniture; Alice Bisbee, Union Trust Company; Hugh Jones, Florida Power Corporation; and Arthur Willis, National Petroleum Corporation.

SALES PROMOTION
INTERVIEWING
INVESTIGATING
AUTHORIZING
BILLING
COLLECTIONS
CONTROL

The CREDIT CLINIC

A "give-and-take" page, wherein readers may ask—and answer—questions about their credit and collection problems and solve them in the laboratory of practical experience.

Petroleum

QUESTION

"Is there any sound basis for rating the credit responsibility of certain occupational groups on the basis of that factor alone?"

ANSWERS

Mrs. Dorothy Alexander, Arkansas Fuel Oil Corporation, Shreveport, Louisiana: Yes, since the extension of credit is determined to a very great extent by "ability to pay." This "ability to pay" combines with "desire to pay": or trade indications of paying habits to be the major factors considered ordinarily for retail credit. Even though in recent years there has been a shift in income status of many occupations, an applicant's occupation affords a great deal of information which has a direct bearing on his "ability to pay"—general income status, whether migratory or seasonal, whether or not that occupation requires registration of certain necessary qualifications being met, whether or not group pressure is exerted in association of a particular professional occupation, and also serves as a basis of reference to credit experience and studies in the analysis of losses classified by occupations. Individual human beings vary from infinity to infinity but a norm of credit responsibility can be determined for each occupational group.

H. M. Barrentine, Skelly Oil Company, Kansas City, Missouri: In my opinion every applicant for credit should be handled strictly on merit. It is however, recognized that certain occupational groups tend to fall into a pattern, with collectibility chances either high or low, which pretty well follows the occupational classification charts. Additionally, an analysis of receivable trends also support the occupational classification charts, and the same applies to an analysis of P & L files. Our people engaged in credit approval work keep themselves aware of the occupational classification charts and to this extent the rating charts are valuable as one of the tools used by the credit analyst. Because there is always the exception to any rule or classification, we do not believe that this factor alone could be used as a sound basis for rating credit responsibility.

T. J. Fahay, Union Oil Company of California, San Francisco, California: In my opinion there is no sound basis for rating credit responsibility of occupational groups on the basis of that factor alone. There is no substitute for a proper credit investigation if a decision fair to the customer and to the merchant is to be reached. I realize that credit people might approach the investigation of certain occupational groups with a predetermined skepticism that they might have developed through experience. Certain occupational groups, for instance, professional people, bankers, commissioned officers in the military service, to name a few, might be approved with limited investi-

gation. On the other hand, some occupational groups might attract transients or people in the lower economic bracket and therefore the investigation of prospects within these groups might be pursued more diligently. Nevertheless, all credit people are aware of the difference between people. Of two customers living side by side, in the same occupational group, one might well be a first-class credit risk, the other might not. We cannot approve or reject customers on the basis of occupation alone.

J. D. Hartup, Standard Oil Company of California, Western Operations, Spokane, Washington: There are good credit risks in every occupation and there are also certain unsatisfactory risks in every bracket of income, occupation, and profession. I know of no sound method of accepting credit based on the ratings of occupational groups. If such a formula were possible, there would be little need for credit bureaus and many persons worthy of credit would be declined that privilege. The answer to sound credit administration is to develop the information that the circumstance requires and establish lines of credit based upon the facts developed.

H. L. Miller, The Pure Oil Company, Chicago, Illinois: This is an intriguing and frequently controversial subject, which has often been the basis of discussion by credit men, particularly those charged with the responsibility of approving the issuance and administration of retail credit cards. In recent years various companies have initiated surveys of their bad debt expense and from this research definite loss patterns, based on occupational grouping, have emerged. In this connection, it is interesting to note that conclusions reached seem to hold constant in the higher as well as lower per capita income areas. Veteran credit men have, to a substantial degree, accepted these patterns and have recognized the increased exposure present on individuals engaged in certain occupations. As a result these surveys, together with actual case histories, have taught the credit man to be extremely reticent of card issuance to individuals in the high risk categories. From experience we recognize the danger in generalizations, as there are always some individual exceptions. However, I feel that our retail losses over the years confirm the premise that there does exist a sound basis for rating the credit responsibility of certain occupational groups on the basis of that factor alone.

William Stockton, The Atlantic Refining Company, Philadelphia, Pennsylvania: The credit rating of occupational groups is a helpful guide in arriving at a credit decision. It should not be considered as reliable "on the basis of that factor alone." The fact that an applicant is in an occupational group that has a good record would definitely be a point in his favor. To depend on the category rating alone is foolhardy. Whether the applicant is in a highly rated group such as that of executives, or in what is sometimes known as a lower rated group such as painters and paperhangers, we all know that there are exceptions both ways. To eliminate checking applica-

tions through credit bureaus on any guide of this sort is foolhardy.

Jack Terry, Independent Gasoline and Oil Company of Rochester, Inc., Rochester, New York: I do not feel that there is any sound basis for rating credit of certain occupational or industrial groups on this one factor alone. We have all had some poor experiences with occupational or industrial groups at one time or another and have as a result adjusted our thinking to cope with future credit approvals and extensions to new customers falling into that particular group. However, each approval or assignment of a line of credit for a new account should be carefully analyzed and appraised on the merits of the individual rather than on any past experience that you might have had in the occupational or industrial group involved. Certainly, to rate the responsibility of a new account with this one factor alone in mind would just be "poor business" and lack the positive thinking needed to make a proper decision to approve a line of credit for this potential new customer. Past performance of the occupational or industrial group involved should be considered but in the final analysis, to have sound judgment prevail, assignment of a line of credit or approval of a credit extension should be based on the individual customer's ability-capacity-capital factor; the economic condition of the marketing area involved, and last but not least, how good is management. This is still important.

The Health Professions

QUESTION

"I realize that theoretically to be effective a collection follow-up should apply to all regardless of who they are or what they have. However, I am having considerable difficulty with my superior who says we have to make many exceptions to the rule. How can I convince him he is wrong?"

ANSWERS

Mrs. Gertrude Block, Medical Arts Hospital, Houston, Texas: I think that, as credit granters, the credit manager should realize that there are exceptions to the rule. I would certainly not think of asking certain patients all of the questions I would ask a person of, perhaps, lesser means. We should all use our judgment not only in follow up but also in the extension of credit. If we are up and on "our toes" so to speak, we certainly know "Who Is Who" in our city and how to proceed from there.

Frances M. Hernan, Hospital and Professional Credit and Collection Consultant, Brookline, Massachusetts: Theoretically, every unpaid account should be followed up consistently and persistently, but I agree with the Supervisor that there are times when the collection system in hospitals must be flexible. In other words, good judgment plays an important part. It should be remembered that every patient is a potential donor to the hospital either during the hospital's annual drive for funds or perhaps later on through a bequest in a patient's will. Some wealthy people pay their bills on dividend or other income anniversary dates. They may have been patients at a particular hospital on and off for years. They feel the hospital knows they are good for their bills. Repeated reminders only tend to irritate them and result in poor public relations. What is more serious, these particular patients might decide to select a different hospital for their next hospitalization, even urging their friends and relatives to do likewise. The result is loss of substantial revenue to the former hospital and no further contributions. A good collection system that can be flexible is more suited to hospitals and certainly makes for better public relations.

Mrs. Jean V. Lansing, Albany Hospital, Albany, New York: I am sorry but I must agree with the superior and that is that we do have to make exceptions to the rule. An effective collection follow-up should not be one of routine really but rather a basic process applied to the individual account. The extension of credit is given either because of no alternative in the instance of patients not having sufficient money available to take care of the bill in full or is extended voluntarily by the hospital as a courtesy or consideration. The foregoing not only occurs in hospitals but also in the retail stores and other types of business extending credit. Not infrequently, we must consider public relations, human relations and individual circumstances, as to whether we proceed with step two or three or do something special. We must recognize that accounts are not names, they are people.

Frank D. Luran, Manager, Credit and Collections, Hospital Service Association of Western Pennsylvania, Pittsburgh, Pennsylvania: The answer to this question must necessarily be hedged about with "if," "provided," "maybe" and like reservations. The fundamental principle in hospital collections should be that we must, as a community obligation, enforce payment from the debtor who can afford to pay the hospital bill. Otherwise, hospital management has no moral right to seek financial help from the community it serves. However, I remember charging off a bill of \$500.00 due from a very crotchety individual whose attorney showed me the debtor's will in which a bequest was ordered to be given the hospital on settlement of his estate after death—it amounted to \$250,000.00. I felt in this case that discretion was the better part of valor. There should not be "many exceptions," if the credit manager carefully evaluates his account and then proceeds to establish in the debtor's mind that there is a dual responsibility in the case of hospital bills: one, a responsibility to discharge his debt honorably, and two, an obligation to help sustain and support his community hospital by settling the account. I doubt that many will resist such an argument.

Mary Ann Learned, Missouri Baptist Hospital, St. Louis, Missouri: A credit manager is placed in charge of a valuable department of the hospital—to collect money. No credit manager can justify a delinquent or bad debt that has never been followed-up. However, the credit manager is in his position to carry out the policies and procedures outlined by the policy-making body of the hospital. He should see that the administrator has all the facts of the case and be ready to give his opinion if asked, but if the administrator feels there should be exceptions to the rule, then it is the job of the credit manager to carry out the administrator's instructions.

Stephen F. O'Connor, St. Mary's Hospital, East St. Louis, Illinois: In this instance I feel that the superior is right for the following reasons: One, I feel that our whole concept of hospital collection is built upon individualism more so than collectivism. In other words the manner in which you collect an account with one person, will not apply with another person. Two, I feel that if proper arrangements are made at the time of admission, a collection follow-up will not be necessary, other than a routine statement. Three, People, as a whole, do not mind being billed for an

*Reading this publication carefully
and regularly will contribute to
your success as a Credit Executive.*

account, especially if it is friendly, and with regularity. Very good public relations can stem from such form of billing. We cannot relegate our complete collection follow-up to a route basis without running the chance of incurring bad public relations. I would ask our questioner to imagine the chagrin with which one of his benefactors would have if he received a sarcastic dun for a small amount . . . under \$100.00, after he has already donated perhaps thousands to the hospital.

Allen J. Perez, Jr., Medina Memorial Hospital, Medina, New York: It is suggested that there is only one way in convincing your superior in this situation that the suggested exception policy is entirely wrong. It is by placing into effect an exception rule for a period approximating six months and after this period, evaluating those specialized accounts with regard to the age and return of payment as is done in the regular aging. What I would do would be to take those accounts so designated as the "exception to the rule" and have them so marked in the accounts receivable file or placed in a segregated section and do as suggested. I am sure this would be the most convincing manner of proving something that is a well known fact. Also it might be advisable for the superior to contact the local Credit Bureau manager and listen to his version and see actual cases of those exceptions as they are carried in the records of the Credit Bureau. At this time I am carrying an account against a family member of a board member. This account is getting the same follow-up as the rest of the accounts as no exceptions are being made.

A. T. Sutherland, Madison General Hospital, Madison, Wisconsin: Any account that is past due should have a collection follow-up, regardless of who they are. We make no exception in this rule.

John A. Ward, Lovelace Clinic, Albuquerque, New Mexico: I feel that there is no real need to convince your superior that he is wrong. Perhaps you are looking at this problem purely from a theoretical standpoint of view and not from the realistic angle. If you are employed with a hospital, clinic, or doctor's office, you should realize that it is virtually impossible to classify all patients into the same category. How can you expect the same prompt settlement of a large medical or hospital bill from a laborer who is making \$200.00 per month, with a wife and six children, as you would from a single man making \$10,000.00 per year? In our clinic we expect either the payment of the account, or the size of their monthly payments to be in the same proportion or ratio as their income. I have found it virtually impossible to lay down any iron-clad policy in our collection department, and make it fit into every situation. Of course, you always want to keep the exceptions to your collection policy to a bare minimum, but I do think there are many instances where exceptions have to be recognized.

Home Furnishings, Home Improvements and Home Service Industries

QUESTION

"I seem to be having a problem these days with customers who are unwilling to pay for appliance service call charges after the warranty period, but before the instalment payment account is paid up. How should I handle these?"

ANSWERS

P. A. Howell, Hemenway's Shreveport, Louisiana: I too have found this to be a problem. However, it is

not peculiar to this particular time. We have encountered trouble every since we have handled appliances, and that has been practically 30 years. I suggest that your service department be instructed to advise the customer at the time the service call is taken over the telephone or when the service man calls to do the work that there will be a charge for the service, and that we will expect payment. Then I suggest that if these charges are put on a 30-day open account and not on the customer's instalment payment, that you start a quick follow-up. Another way to combat the trouble would be to add carrying charges to the service call charge and add the total amount to the instalment payment plan account. Explain to the customer by short letter and enclose service invoice showing the total charge, including carrying charge and the amount of the account after adding carrying charge and service charges.

E. E. Paddon, Lammerts, St. Louis, Missouri: This problem has not been acute with us, but is like many problems that are prevalent with the sale of appliances, or in fact, any merchandise. Our problem seems to be in the over-selling of merchandise, and I believe that the only way to handle customer problems of this nature is through the training of sales personnel, to be certain that they carry through on all sales that are made so that misunderstanding for service or longevity of merchandise will create no problem because of misunderstanding. We do have a session with each new sales person at which time all problems of this nature, house policy, terms, etc., are emphasized and we believe that this procedure has greatly lessened "customer misunderstanding" of house policy, warranty period, etc. I do not mean to infer that all problems stem from ineffective sales people, but when a good beginning of customer relations is established the problems are more easily determined and overcome.

Sam O. Shaw, Cabaniss Brown Furniture Company, Austin, Texas: Because of lack of a qualified television repairman on our payroll, we have "farmed out" all television and radio service to another company. The public does not resent paying us for the merchandise and someone else for the service. With this theory in mind we are seriously considering a service company separate from our selling company. This company would service all of our refrigerators, washers, air conditioners and the like. Also this company would handle all of its own credit and collection problems. With the success we have had in the past on television repair charges we hope this will solve our problems on all other service.

Saul Stone, May Stern & Company, Pittsburgh, Pennsylvania: This problem confronts all of us. However, each complaint is handled with individual attention. Our decision depends a great deal on how long the customer has dealt with us and how good a credit history is found. Usually the amount involved for the service call is small and we bend over backwards to satisfy the customer. We hope that this will retain the customer's goodwill for future purchases. The main trouble with warranties is that the customer usually tells us, "We complained before the warranty expired, and the appliance never worked properly."

George L. Wilkins, The O. S. Stapley Company, Phoenix, Arizona: This problem is quite common in our line of business, that of appliance sales. Quite often we have customers who do not continue to meet their payments because of dissatisfaction with service work performed on the appliance which was sold on a conditional

sales contract. Usually we hear nothing about their complaints until we begin making demands for payment of the contract and charges for service work performed. The first step in overcoming this problem should be to hear the customer's story in full. Tactfully inquire as to their understanding of the warranty and the responsibility of ourselves as dealers in the upkeep of the equipment purchased. After listening to their story we try to explain to them the terms of purchase and what is expected of them in the fulfilling of the terms of their contract. If their complaint seems to be justified, we endeavor to get the service department manager and the customer together to discuss the problem. This usually results in our being able to iron out the misunderstanding and in many cases results in our getting a promise from the customer of payment of the account. There are times, however, when we must have our servicemen make additional calls to the home to check on their work and make minor adjustments to get the appliance or piece of equipment performing properly. This is a problem which must be handled with an understanding attitude. The customer must feel that his complaints are heard and that we are sympathetic with him. When the situation appears to be one in which the customer is endeavoring to find an excuse for not paying his account we become firm in our requests for payment and if necessary, take legal steps to secure payment. If the customer is right in his complaint of faulty service, we make compromises with him and try to arrange for his continued payment of the contract after making an adjustment in our service charges and correcting the errors made in servicing the equipment. In all instances

we require the customer to pay out the contract as agreed, after making whatever adjustments are necessary in the payment schedule because of delay in payments. If any compromise is made it is in adjusting the charges for service work done and not on the original amount of the conditional sales contract.

John A. Broom, Jr., Credit Department, Cate-McLaurin Company, Columbia, South Carolina: Collecting appliance service department and every year have charge-off service charges is a task of its own. We have a for one reason or another. While we let the customer know that service charges are due within ten days from date of service very few respond. The older such charge gets the more difficult it becomes to collect it. The customer forgets the EMERGENCY call which warranted the charge. It is not uncommon to receive a call that "my refrigerator has cut off", and when the service man gets there he finds that the kids have pulled the cord from the wall socket, or somehow has inadvertently turned the cold control to "off" position. Another familiar call is that "my oven will not cut off in my electric range", only to send out and find that the reset switch on the clock has been turned to "off" position. Customers do not like to pay the \$5.00 minimum "trip and labor" charge for such calls and the older the account gets the more they hate to pay. When we debit these service charges to an instalment account, we insist that they pay within 30 days unless other arrangements are made. The person with a perfect solution, one who can render service and collect for this service without making the customer angry, deserves a medal.

The ONE Book Every Collection Man Should Have

One New Idea Will Make or Save You Its Price Many Times Over!

SKIP TRACING

Procedure for the individual skip tracer.
Procedure for the firms of volume business.
Fourteen different ways to locate a skip without a registered letter.
A letter to former employers that will bring phenomenal results.
Eleven stories of actual cases where the skip has been located, and the account collected through these skip tracing and collection methods.
How, when and where to send registered letters.
Ten ways of locating skips by registered letters.
Analyzing returned registered letters.
How to find the job.
Tracing the guarantor.
Tracing the guarantor's job.
A concrete case.

HOW TO LOCATE SKIPS AND COLLECT

by A. M. TANNRATH

Authority on Credits, Collections and Skip Tracing
The Only Book of Its Kind Ever Published

\$5.00

Collecting Old Accounts
Instalment Credits
Current Collections
Merchandise Storage
Bad Check Law
Conditional Sales Law
Bankruptcy Law
Supplementary Proceedings
Intra- and Inter-State
Commerce Laws
Canon of Commercial
Ethics
Digest of Commercial Laws
For All States
How to Forward Claims
For Collection
Now on Page 13

REPEAT ORDERS from Collection Agencies and Chain Organizations PROVE Its Value!

These firms ordered copies for each of their offices or for each of their executives.

SECURITIES CREDIT CORP. of Denver, Colo., ordered 14 copies.
MERCHANTS ACCEPTANCE CORP. of Worcester, Mass., has ordered 21 copies.

MILLER MANAGEMENT CO. of Nashville, Tenn., ordered 160 copies. Recently they ordered an additional 84 copies. They write: "Many thousands of dollars worth of skip accounts have been located through the direct result of your book."

You, Too, Can Profit by This Book! Order Today!

CLIP AND MAIL THIS COUPON TODAY

A. M. TANNRATH

343 S. Dearborn, Suite 608, Chicago 4, Ill.

Please send me _____ copy(ies) of How to Locate Skips and Collect. Check for \$5.00 must accompany order. No C.O.D.'s.

Name _____

Firm Name _____

Address _____

City _____ Zone _____ State _____

Please Mention THE CREDIT WORLD When Writing to Advertisers

Consumer Credit Outlook

The economic condition of the country shows little change. July brought little or no unusual change in our business activity, despite tensions, politics at home, and a fluctuating stock market. Economic forecasters still indicate a normal to good last six months, making 1960 a better-than-usual year.

The FRB announced three actions designed to expand the lending power of banks by liberalizing the rules which control reserves. Effective September 1, 1960, "central reserve city" and "reserve city" member banks may count as part of their required reserves any vault cash they hold in excess of one per cent of their net demand deposits. Effective August 25, 1960, banks in the "county bank" category are allowed to count vault cash exceeding 2½ per cent of net demand deposits as a part of their required reserves. Effective September 1, 1960, the reserve requirements of "central reserve city" banks in New York and Chicago are reduced one-half per cent to 17½ per cent of their net demand deposits. All three changes work in the same manner, resulting in an increase of \$600 million available for loaning.

Consumer instalment credit outstanding increased \$342 million in June to a total of \$41.4 billion, after allowance for seasonal influences. The expansion was slightly larger than in May, but well below the April rise of \$533 million. For the second quarter as a whole, the increase was \$1.2 billion, about the same as in the preceding quarter. Extensions of instalment credit at \$4,202 million were about the same as in May but less than the peak April

volume. Repayments at \$3,860 million were about the same as in the preceding two months.

Noninstalment credit outstanding increased \$28 million to \$12.1 billion, after adjustment for seasonal variation, as charge accounts and service credit increased and single payment loans declined. Total consumer credit outstanding rose \$370 million, seasonally adjusted, to \$53.5 billion at June 30.

Commercial bank instalment credit outstanding continued to increase in June, and at the end of the month amounted to \$15,834 million, \$237 million above a month earlier. Automobile credit was up \$150 million as compared with \$133 million in May, and accounted for nearly two-thirds of the monthly expansion. Extensions of credit during June were \$43 million larger than in the preceding month, and about the same as a year ago.

Department store sales rose further in July to 150 per cent of the 1947-49 average. The seasonally adjusted index for June was 145 and for July a year ago it was 147. The all-time peak was reached this past April when the index stood at 154.

Department store instalment account receivables were unchanged in June but considerably higher than a year earlier. Collections on instalment accounts were 15 per cent of outstandings at the beginning of the month. Charge account receivables declined slightly in June but remained above a year ago. About 48 per cent of the charge account receivables outstanding at the beginning of June were collected during the month.

Changes in Department Store Sales and Accounts Receivable

June, 1960	Percentage change from:	
	Month ago	Year ago
Sales during month: Total	- 2	0
Cash	- 1	- 2
Charge	- 4	+ 1
Instalment	- 1	+ 2
Accounts receivable, end of month: Charge	- 2	+ 6
Instalment	0	+16

Collection Ratios and Percentage Distribution of Sales

Item	June 1960	May 1960	June 1959
Collection ratios: Charge accounts	48	44	49
Instalment accounts	15	15	16
Percentage distribution of sales: Cash	43	43	44
Charge	42	42	41
Instalment	15	15	15

¹Collections during month as a percentage of accounts receivable at beginning of month.

Short- and Intermediate-Term Consumer Credit Outstanding
(Estimates, in millions of dollars)

Type of Credit	June 30, 1960	Change during:		
		June		Year ended June 30, 1960
		Unadj.	Sea. Adj.	
Instalment credit, total	41,362	+622	+342	+5,227
Automobile paper	17,807	+326	+117	+2,241
Other consumer goods paper	10,194	+114	+ 97	+1,154
Repair and modernization loans	2,824	+ 38	+ 23	+ 357
Personal loans	10,537	+144	+105	+1,475
Noninstalment credit, total ¹	12,135	+ 44	+ 28	+ 748
Single-payment loans	4,321	- 24	- 44	+ 330
Charge accounts ¹	4,628	+ 81	+ 48	+ 182
Service credit	3,186	- 13	+ 24	+ 236
Total consumer credit ¹	53,497	+666	+370	+5,975

¹Includes amounts outstanding on service station and miscellaneous credit-card accounts and home-heating oil accounts, which totaled \$429 million on June 30, 1960.

Consumer credit outstanding held by Consumer Finance Companies was estimated at \$3.9 billion at June 30, an increase of \$50 million. Volume extended during June was estimated at \$522 million, an increase of \$44 million.

Consumer loans made under effective small loan laws account for \$3.2 billion in outstandings. Volume extended under these laws was estimated to be \$419 million in June.

The Consumer Price Index increased in June to 126.5 (1947-49=100), exceeding the May high by 0.2 per cent, the U. S. Department of Labor reports.

The State of Michigan has pioneered in legislation to authorize state-chartered banks jointly to own a company for automation of their bookkeeping processes. Passed by this year's legislature, the new law becomes effective August 17, 1960.

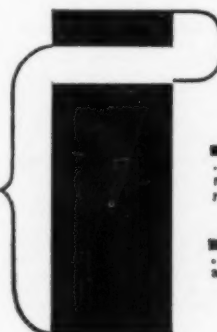
"Happy people worry more than average." states Felix Morley. He notes that in a recent issue of the American Medical Association's Journal, 21 pages of advertising deal mostly with remedies for those ills to which the human flesh is heir. Some 26 pages are devoted to "tranquilizers" of one kind or another. States Morley, "The growing use of tranquilizers" suggests a disturbed condition in many American minds."

Increased leisure time booms boating, reports NATION'S BUSINESS. Total of 40 million enthusiasts will spend estimated \$2.5 billion this year on pleasure boating. American Petroleum says that watercraft will use more than 533 million gallons of gasoline in 1960.

Hilton Credit Corporation, which operates the Carte Blanche credit card service, lost a reported \$2,365,392 in its first fiscal year ended April 30. President Hilton noted that Hilton Credit Corporation broke into the black during the last two months of its first operating year, and said this profitable trend continued during the first two months of the current fiscal year.

ANNUAL FRINGE BENEFITS PER EMPLOYEE

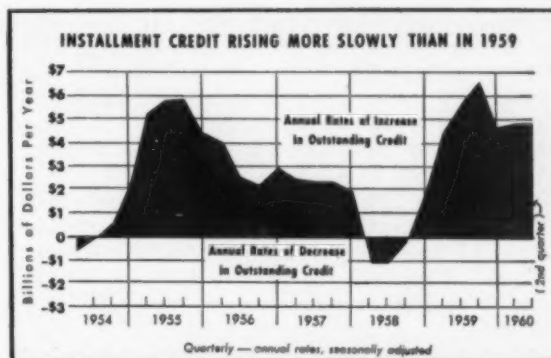
Total payroll \$4965



Total fringe benefits \$1132

■ OUTSIDE PAYROLL
... pensions insurance, legally required payments and miscellaneous totaling \$655

■ INSIDE PAYROLL
... rest periods, paid vacations and holidays, totaling \$477



Source: Federal Reserve Board

Copyright 1960, U.S. News Publishing Corp.

The first institute of Counseling Consumers on the Use of Credit was held recently at the University of Wisconsin. The three days of sessions explored the relationship of financial matters to family unity. The session was sponsored by the University of Extension Division.

Sales executives are keeping a sharp eye on swiftly moving changes in retail selling patterns. They are causing a thoroughgoing reappraisal of sales and merchandising approaches by both manufacturers and retailers. Watched are . . . Automation - Macy's current experimental installation of vending machines for soft goods; Shopping by mail, telephone and at home (current volume estimated at \$3 billion); Changing nature of retail outlets . . . manufacturers seeking optimum distribution for their products are re-examining their traditional retail outlets and testing new types of outlets. (Super-markets are moving to higher-profits, non-food items such as shoes . . . discount and department stores move to food . . . drug stores expanding into housewares, selling apparel, gardening equipment and home furnishings.)

Some direct mail officials think the Post Office has opened a new campaign against them. A Brooklyn postmaster has urged people to refuse any Third Class mail they do not want. If return postage is guaranteed, the Post Office will return the circulars to the senders, otherwise the mail will be tossed out.

Ward J. Jensen, Inc., management consultants, report that the American consumers still find the appeal of the discount house strong, but that there are indications that "seeds of suspicion" are causing doubt in the consumer's mind. "Such seeds may sprout into volume-choking weeds," notes the firm.

J. S. Dillon and Sons Stores Co., a chain doing business in Kansas and Colorado, made a study of special display activities in five of their supermarkets. The stores participating in the study had an average

weekly volume of \$33,000. During the survey the sales of 360 items involved in 734 display exposures were tabulated and analyzed. The principal finding was that "an average grocery item on special display sells 652 per cent better than from normal shelf position."

"Women are fed up with manufacturers who introduce a host of new products before the old model has been fully perfected," says National Congress of Better Living, sponsored by McCALL'S Magazine.

Retailers in the Nation's Capital are expecting a boost in business from the 200,000 government employees when they begin spending as the result of the 7½ per cent federal pay increase. The pay increase will amount to an annual \$90 million.

Reavis Cox, writing in the JOURNAL OF RETAILING, says that retailers complain that they face a cost squeeze, i.e., increases in merchandise acquisition costs and store operating expenses disproportionate to rises in retail prices. This squeeze is largely the result of basic social and economic changes . . . the uneven impact of inflation, the redistribution of the population, the reallocation of marketing tasks to suppliers and consumers, the changing shares of national income go-

ing to labor and to landlords as contrasted with the share going to management, and the breakup of traditional merchandise assortments. Perceptive retailers may discover opportunities, as well as problems, in the shifts.

Why do people save? For what do they save? These two questions were asked of 206 consumer saving units in St. Louis. The three principal reasons "why" in the order of frequency indicated by the consumer saving units were: To provide for old age; to be prepared for emergencies, and to look after the children's education. The "purposes" for which the consumers saved were divided into three socio-economic groups. One group . . . single people, and those in the highest income brackets . . . tend to feel that savings should be used only in emergencies and preferably not at all. Another group . . . generally people over 65, and persons between 35 and 44 . . . believed in using savings for larger purchases, such as a house. The last group . . . younger people, in particular those with incomes below \$7,500 per year, large families, and those persons with little education . . . seemed to feel that savings could be drawn upon at any time to supplement income.

Consumer Instalment Credit, by Holder and Type of Credit
(Estimated amounts outstanding, in millions of dollars)

Type of credit and institution	June 30, 1960	Increase or decrease during:		
		June 1960	June 1959	Year ended June 30, 1960
Total	41,362	+622	+778	+5,227
Commercial banks	15,834	+237	+318	+1,871
Sales finance companies	10,945	+201	+261	+1,595
Credit unions ¹	3,570	+ 86	+ 80	+ 675
Consumer finance companies ¹	3,938	+ 50	+ 30	+ 514
Other financial institutions	1,840	- 1	+ 16	+ 227
Retail outlets ²	5,235	+ 49	+ 73	+ 345
Automobile paper	17,807	+326	+438	+2,241
Commercial banks	7,924	+150	+184	+1,024
Sales finance companies	7,767	+136	+205	+ 883
Other financial institutions	1,490	+ 29	+ 33	+ 259
Automobile dealers	626	+ 11	+ 16	+ 75
Other consumer goods paper	10,194	+114	+153	+1,154
Commercial banks	2,588	+ 17	+ 36	+ 205
Sales finance companies	2,175	+ 43	+ 42	+ 528
Other financial institutions	822	+ 16	+ 18	+ 151
Department stores ³	2,078	+ 19	+ 32	+ 239
Furniture stores	1,078	+ 7	+ 8	+ 26
Household appliance stores	277	+ 1	0	- 6
Other retail outlets	1,176	+ 11	+ 17	+ 11
Repair and modernization loans⁴	2,824	+ 38	+ 48	+ 357
Commercial banks	2,004	+ 28	+ 34	+ 216
Sales finance companies	49	+ 4	+ 1	+ 26
Other financial institutions	771	+ 6	+ 13	+ 115
Personal loans	10,537	+144	+139	+1,475
Commercial banks	3,318	+ 42	+ 64	+ 426
Sales finance companies	954	+ 18	+ 13	+ 158
Other financial institutions	6,265	+ 84	+ 62	+ 891

¹Estimates of loans at credit unions and consumer finance companies by type of credit are included with figures for other financial institutions.

²Figures by type of retail outlet are shown below under the relevant types of credit.

³Includes mail-order houses.

⁴The face amount of outstanding FHA Title I loans at the end of June is reported by the Federal Housing Administration to be \$1,902 million, of which an estimated \$1,617 million is for consumer purposes and is included in the above.

Consumer Instalment Credit Extended and Repaid, and Changes in Credit Outstanding
(In millions of dollars)

	Total	Auto- mobile paper	Other consumer goods paper	Repair and modern- ization loans	Personal loans
Without seasonal adjustment					
Credit extended					
1960—June	4,561	1,738	1,226	191	1,406
May	4,335	1,664	1,153	198	1,320
1959—June	4,454	1,780	1,173	195	1,306
Credit repaid					
1960—June	3,939	1,412	1,112	153	1,262
May	3,860	1,401	1,095	148	1,216
1959—June	3,676	1,342	1,020	147	1,167
Seasonally adjusted*					
Credit extended					
1960—June	4,202	1,501	1,191	176	1,334
May	4,209	1,543	1,164	186	1,316
1959—June	4,032	1,509	1,130	178	1,215
Credit repaid					
1960—June	3,860	1,384	1,094	153	1,229
May	3,886	1,411	1,099	150	1,226
1959—June	3,542	1,289	992	145	1,116
Changes in outstanding credit, seasonally adjusted¹					
1960—June	+342	+117	+ 97	+23	+105
May	+323	+132	+ 65	+36	+ 90
2nd qtr. mo. av.	+399	+168	+106	+30	+ 95
1st qtr. mo. av.	+403	+194	+ 81	+28	+100
1959—4th qtr. mo. av.	+392	+151	+ 74	+28	+139
3rd qtr. mo. av. ²	+511	+214	+121	+33	+143
2nd qtr. mo. av.	+474	+222	+139	+34	+ 79

*Seasonally adjusted changes in outstanding derived by subtracting credit repaid from credit extended.

¹Changes do not reflect the incorporation of figures for amounts outstanding for Hawaii in August.

NOTE:—Estimates of instalment credit extended and repaid are based on information from accounting records of retail outlets and financial institutions and include finance, insurance, and other charges covered by the instalment contract. Renewals and refinancing of loans, repurchases or resales of instalment paper, and certain other transactions may increase the amount of both credit extended and credit repaid without adding to the amount of credit outstanding.

²Includes adjustment for differences in trading days.

Project "Push" Membership Award Winners

Following are the membership award winners for Project "Push" for 1959-1960:

District with greatest net membership growth,
District Ten. M. T. Warrick, Credit Bureau of Spokane, Spokane, Washington and Robert Sturdevant, The Crescent, Spokane, Washington.

District with greatest new percentage of growth,
District Three. D. P. Slaughter, Credit Bureau of Spartanburg, Spartanburg, South Carolina and Robert Wynn, Aug. W. Smith Company, Spartanburg, South Carolina.

State with greatest net membership growth,
Washington. Mrs. May Owen, Lent's, Inc., Bremerton, Washington.

State with greatest net percentage of growth,
Maine. William J. Foley, Credit Bureau of Greater Portland, Portland, Maine.

Local association chairman showing the greatest percentage of membership growth,
Ogden, Utah. Wilford Fowers, Tanner Clothing Company, Ogden, Utah.

Local association chairman showing the greatest net membership growth,
Philadelphia, Pennsylvania. George C. Whittam, Philadelphia Credit Bureau, Philadelphia, Pennsylvania.

Credit bureau managers in each district reporting 100 per cent national affiliation, provided 100 members are included,

W. W. Vine, Credit Bureau of Bristol, Bristol, Tennessee, District Four.

Mrs. Carl Erman, Credit Bureau of Longview, Longview, Texas, District Eight.

O. J. Fox, Credit Bureau of Ogden, Ogden, Utah. District Nine.

District membership chairman receiving cash awards for each net growth of 100 members in the district. The money was deposited with the District Treasurer for educational project expenditures. Eleven of the twelve districts received these awards.

Membership Placques:

First national unit of more than 25 members organized

during the fiscal year,
Nederland, Texas, 32 members.

Unit making the greatest membership gain,
Philadelphia, Pennsylvania 231 net gain.

Cities of 50,000 or under with an increase of 25 or more members, or with new associations of 25 or more members.

Marysville, California
Modesto, California
Gainesville, Florida
Madeira Beach, Florida
Lihue, Hawaii
Lafayette, Louisiana
Winona, Minnesota
Chapel Hill, North Carolina
The Dalles, Oregon
Easton, Pennsylvania
Erie, Pennsylvania

Bristol, Tennessee
Brady, Texas
Harlingen, Texas
Lamesa, Texas
Longview, Texas
Nederland, Texas
Auburn, Washington
Bremerton, Washington
Centralia, Washington
Charleston, West Virginia
Clarksburg, West Virginia

Cities of 50,000 to 100,000 with an increase of 50 or more new members, or with new associations of 50 or more members,
Fort Smith, Arkansas
Ogden, Utah
Riverside, California

Cities of 100,000 and over with an increase of 100 or more new members, or with new associations of 100 or more members,
Philadelphia, Pennsylvania

Certificates to new associations formed 1959-1960,

St. Johns, Newfoundland
Saskatoon, Canada
Gainesville, Florida
Madeira Beach, Florida
Valdosta, Georgia
Lihue, Hawaii
Waukegan, Illinois
Salem, Massachusetts
Ypsilanti, Michigan
Winona, Minnesota
Amsterdam, New York
Elmira, New York
Fayetteville, North Carolina

Burns, Oregon
Allentown, Pennsylvania
Erie, Pennsylvania
Latrobe, Pennsylvania
Bristol, Tennessee
Kingsport, Tennessee
Baytown, Texas
Brady, Texas
Lamesa, Texas
Longview, Texas
Nederland, Texas
Ogden, Utah
Clarksburg, West Virginia
Charles F. Sheldon
Clarence E. Wolfinger
Co-Chairmen, Project "Push"

N. R. C. A. Publications to Serve You Better

Retail Credit Fundamentals, 390 pages	\$5.00
Retail Credit Management, 477 pages	5.00
Important Steps in Retail Credit Operation, 76 pages	1.50
How to Write Good Credit Letters, 128 pages	2.25
Physicians and Dentists Credit and Collection Manual, 64 pages	2.00
Retail Collection Procedure and Effective Collection Letters, 80 pages	2.00
Retail Credit Sales Procedures and Letters, 80 pages	2.00
Hospital Credit and Collection Manual, 68 pages	2.00
Legal Aspects of Credits and Collections, 72 pages	2.50

NATIONAL RETAIL CREDIT ASSOCIATION
375 JACKSON AVENUE ST. LOUIS 30, MISSOURI

Quotable "Quotes"....

• **Fleet Admiral Chester W. Nimitz, U.S.N.:** "The bulwarks of our liberty are men and women who read and think."

• **Henry Cabot Lodge:** "Freedom of the press is based on a principle which the whole world must practice if we are to have peace, and that is the principle of tolerance—of being able to stand criticism and of realizing that nobody has the infallible truth."

• **Daniel Webster:** "If you divorce capital from labor, capital is hoarded, and labor starves."

• **Lord Chesterfield:** "A weak mind is like a microscope, which magnifies trifling things but cannot receive great ones."

• **Christopher Morley:** "It will be a shock to men when they realize that thoughts that were fast enough for today are not fast enough for tomorrow. But thinking tomorrow's thoughts today is one kind of future life."

• **James Russell Lowell:** "True scholarship consists in knowing not what things exist, but what they mean; it is not memory but judgment."

• **Pauline Riley:** "Service is the rent we pay for the space we occupy as Christians here on Earth."

• **Anonymous:** "Great minds discuss ideas; average minds discuss events; little minds discuss people."

• **Anonymous:** "We do not always regret the loss of a friend because of the high opinion we had of his merit; we sorrow because we need him and the high opinion he had of us."

• **Forest Barr:** "Too many of us are too much like wheelbarrows. We are useful only when pushed, and we are easily upset."

• **Bruce Barton:** "Great men suffer hours of depression through introspection and self-doubt. That is why they are great. That is why you will find modesty and humility the characteristics of such men."

• **Anatole France:** "Criticism is the adventure of the soul among masterpieces."

• **Henry Ford:** "If money is your only hope for independence, you will never have it. The only real security that a man can have in this world is a reserve of knowledge, experience and ability."

• **Dr. Edward Stieglitz:** "If it is sensible for the child to make an effort to learn how to be an adult, then it is essential for the adult to learn how to be aged."

Philosopher's Corner

"You can tell the character of every man when you see how he receives praise."



—SENECA (8 B.C.-A.D. 65)

• **Thomas Jefferson:** "Whenever a man has cast a longing eye on offices, a rottenness begins in his conduct."

• **Washington Irving:** "An inexhaustible good nature is one of the most precious gifts of heaven, spreading itself like oil over the troubled sea of thought, and keeping the mind smooth and equable in the roughest weather."

• **George Santayana:** "Those who cannot remember the past are condemned to repeat it."

• **Gelett Burgess:** "Every person has some splendid traits and if we confine our contacts so as to bring those traits into action, there is no need of ever being bored or irritated or indignant."

• **Robert G. Ingersoll:** "It is a thousand times better to have common sense without education than to have education without common sense."

• **Thomas Mann:** "Opinions cannot survive if one has no chance to fight for them."

• **Sir John Lubbock:** "In truth, people can generally make time for what they choose to do; it is not really the time but the will that is lacking."

• **Epictetus:** "You will do the greatest service to the state if you shall raise, not the roofs of the houses, but the souls of the citizens; for it is better that great souls should dwell in small houses rather than for mean slaves to lurk in great houses."

• **Henry David Thoreau:** "If a man does not keep pace with his companions, perhaps it is because he hears a different drummer. Let him step to the music which he hears, however measured or far away."

• **David Hume:** "Nothing can be more unphilosophical than to be positive or dogmatical on any subject. When men are the most sure and arrogant, they are commonly the most mistaken and have there given reins to passion without that proper deliberation and suspense which alone can secure them from the grossest absurdities."

• **Raoul De R. De Sales:** "Most people know that there is no such thing as luck, but is difficult to find anyone who does not believe in it."

• **Epictetus:** "He is a wise man who does not grieve for the things he has not, but rejoices for those which he has."

• **Cervantes:** "Honesty is the best policy." (1547-1616)

• **William Danforth:** "Lines of least resistance make crooked rivers and crooked men."

A Thought...

Contributed by Mrs. Jo Hubbard, Chattanooga, Tennessee. What's your favorite text?

"He that dwelleth in the secret place of the most High shall abide under the shadow of the Almighty."

Psalms 91



STOP!

You don't have to be driven to the point of a gun. Call us for Factbilt reports on your credit applicants. You'll find these reports will eliminate most of your troublesome problems. With the facts on hand you can make a maximum number of profitable credit sales.



REPORTS FROM ANYWHERE, THROUGH YOUR CREDIT BUREAU'S MEMBERSHIP

Associated Credit Bureaus of America, Inc.

7000 Chippewa Street

St. Louis 19, Mo.

MR. EUGENE B. POWER
UNIVERSITY MICROFILMS
313 NO. FIRST ST.
ANN ARBOR, MICH.

**GROUP
LIFE INSURANCE PLAN**



For Members of
National Retail Credit Association
and
Credit Granters' Association
of Canada

NOW AVAILABLE!

**A new service for
Canadian Members**

of

**National Retail Credit Association
and
Credit Granters' Association
of Canada**

September 1, 1960 is the day NRCA
is making available to Canadian
members the same fine plan of

GROUP LIFE INSURANCE

that has been so enthusiastically ac-
cepted by members in the United
States.

Over \$10 million in insurance in force.
Fourteen death claims have been paid to
NRCA member dependents to date.

BE A CHARTER MEMBER OF THE PLAN

to become effective December 1, 1960 if enrollment is sufficient

LOW GROUP RATES

NO AGE LIMITS

NO MEDICAL EXAMINATION

If enrollment made prior to effective date

OPEN HOUSE UNTIL DECEMBER 1, 1960

for American Members

We are now accepting applications from members who have not yet enrolled in the Plan subject to the insurance company's approval of a simple health statement on the application form. If your application and check are received and approved prior to December 1, 1960, *you will have this valuable group insurance protection on December 1st, provided you are then actively at work.*

Clip and Mail This Coupon



**FOR COMPLETE INFORMATION
AND AN APPLICATION FORM**

National Retail Credit Association
375 Jackson Avenue
St. Louis 30, Missouri

Please send me without obligation details and an application form for the N.R.C.A. Group Life Insurance Plan. I am a member in the United States () in Canada ().

Name _____

Address _____

City _____

